FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 134 14 July 1986

ARGENTINA

SIDE on Investigation Into Secret Code Sale B 1
Official Endorses Criticism of Aid to Contras B 1
Aerolineas Pilots Reject Management Conditions B 2
Bomb Explodes at High School; No Injuries B 2
Four Arrested; Explosives Seized in Buenos Aires B 2

BOLIVIA

Army Occupies Oil Refinery in Cochabamba C 1
Vice President's News Conference Concludes Trip C 1
Report Outlines Debt Terms With Paris Club C 2
Government Concerned Over Mineral Market C 2

BRAZIL

Official on Payment of Interest, Sayad's Agenda [O GLOBO 10 Jul] D 1
Marchers Protest Angra Power Plant Reopening D 1
Environment Secretary Tenders Resignation D 1

CHILE

Pinochet Confirms Decision To Extend Term E 1
Predicts 8-Year Extension E 1
Lauds Country's 'Democracy' E 1
Political Groups React to Pinochet's Comments E 2
PDC Sees 'Provocation' E 3
Abeliuk Reacts to Speech E 3
Interior Minister on Case of Burned Youths E 4
Regime To File Suit Against U.S. Publications E 4
9 Civic Assembly Leaders Sent To Prison E 5
Church Backs ANC Leaders E 5
Combined Forces Raid Santiago Slum 11 July E 6
Arrest 37, Check 1,300 E 6
Explosions Cause Supermarket Fires in Two Cities E 6

COLOMBIA

1 Arrested in Investigation of UK Consul's Death F 1
Governor Deplores Crime F 1
Briefs: Marijuana Confiscated F 1

PERU

Wagner Assesses Foreign Policy Under Garcia J 1
Guard's Martinez Retired; Replacement Sworn In J 1

Port Director Denies Links to Arms Shipment J 2
Terrorists Bomb APRA District Office J 2

MEXICO

Columnist Views Upcoming Reagan-De la Madrid Meeting M 1
[UNOMASUNO 7 Jul]
Sepulveda Calls for 'Prudent Path' in Region M 2
[EXCELSIOR 9 JUl]
Petricioli Names Bank, Secretariat Officials M 3
Travels to U.S. for IMF Talks M 3
[THE NEWS 11 Jul]
Deputies Protest U.S. 'Intervention' in Elections M 4
[UNOMASUNO 4 Jul]
20,000 Protest Election Results in Chihuahua M 5
[THE NEWS 11 Jul]
Army Reports June Antidrug Campaign Results M 6

PANAMA

Delvalle Discusses Helms Charges, Contadora N 1
[EXCELSIOR 1 Jul]
Attorney General Confirms Reporter's Asylum Request N 6
Abadia Denies Persecution N 6
Embassy Issues Note [EL SIGLO 12 Jul] N 7
Ministry Answers Note [EL SIGLO 12 Jul] N 7
Abadia: No Safe-Conduct N 8
Departs for Venezuela N 8
Finance Ministry To Audit Canal Commission N 9
[LA ESTRELLA DE PANAMA 11 Jul]
U.S. Opposes Audit [MATUTINO 11 Jul] N 10
Riot Police Disperse Student Demonstrations N 11
[EXTRA 12 Jul]
Ministry Orders 2-Day Class Suspension in School N 11

CENTRAL AMERICA

COSTA RICA

Naranjo Announces 15-Percent Budget Cut P 1
Arias, Habib Discuss Regional Situation P 1

EL SALVADOR

Rebels Seize Radio Stations, Air Messages P 2
Rebels Barricade Airport Road, Clash With Army P 3
[EL MUNDO 8 Jul]
FMLN-FDR Present Terms for Peace Agreement [Venceremos] P 3
Duarte Invites Shafik Handal to Dialogue P 7
Duarte Views Rebel Dialogue, Nicaragua P 8
[Bonn DIE WELT 9 Jul]
CTS Begins Strike; MOP Members Arrested P 10
[EL MUNDO 8 Jul]
Castillo Claramount Notes Objections to Contadora P 10

GUATEMALA

Quinonez Confirms Support for Contadora P 11
C.A. Parliament Organizing Meetings Delayed P 12
Gen Gramajo Discusses Insurgency in El Peten P 12

HONDURAS

Azcona, Habib Discuss Area Situation P 13
Azcona Relates Contra Aid to Domestic Scene P 13
UN Envoy Resigns Over Foreign Policy Handling P 14
Montoya on U.S. Senators' Visit, Border Problems P 14

NICARAGUA

Ortega Discusses Defense in Chinandega P 15
Diplomats Say 6 MI-17 Helicopters Received [REUTER] P 17
VOA Report on Angolan Troops Termed 'Lies' [BARRICADA 9 Jul] P 18
Government Decrees 3-Day Mourning for Le Duan P 19
Ortega Greets Tirado on Return From Poland P 20
Cooperation Agreement Signed With GDR [cross-reference] P 20
Ortega Comments on Speculation in Products P 20
Briefs: Norwegian Donation Received P 20

CUBA

Foreign Ministry Issues Note on Talks With U.S. Q 1
Castro Sends Condolences on Le Duan's Death Q 1
Castro Greets Heng Samrin on KPRP Anniversary [Phnom Penh] Q 2
Viera Meets With Chinese Vice Foreign Minister Q 2
Brazilian Mission To Open Diplomatic Headquarters Q 3
Mexican Envoy Assesses Bilateral Relations [EXCELSIOR 4 Jul] Q 3
Nunez Meets With Ecuadoran Foreign Minister Q 4
Nation Becomes Member of Regional Association Q 4
Scientific, Technical Protocol Signed With Poland Q 5
Secretariat Member Heads Delegation to Prague Q 5
Rodriguez Meets With Algerian Minister Q 5
Viera Receives Lebanese Party Delegation Q 5

DOMINICAN REPUBLIC

Balaguer Officially Proclaimed President R 1
Fifth Communist Party Leader Resigns R 1
Workers' Party to Create Peoples' Front R 1

CARIBBEAN

Libyan Document Endorses Revolution in Region S 1

ARUBA

Former Economic Minister Arrested for Fraud S 1

OTHER COUNTRIES

INTER-AMERICAN AFFAIRS

SELA, ECLA Analyze Intraregional Trade V 1
[AFP]

SURINAME

Military Leaders Resign; Bouterse Issues Warning V 1

SIDE CHIEF ON INVESTIGATION INTO SECRET CODE SALE

PY121717 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 12 Jul 86

[Text] Buenos Aires, 12 Jul (NA) -- Facundo Suarez, head of the State Intelligence Secretariat [SIDE], today promised to conduct a thorough investigation into a newspaper report alleging the loss or sale of the secret SIDE communications codes and other irregularities.

Suarez was reacting to a report published today by reporter Jesus Iglesias Rouco in the daily LA PRENSA, in which it was also reported that the SIDE delegate in Europe has been pardoned for "administrative irregularities." The official said that "if 70 or 80 percent of what Jesus Iglesias Rouco says is true, it will have to be investigated." He added that the reporter "dislikes the SIDE."

Regarding the newspaper report on the alleged sale of secret SIDE codes to a country what "does not maintain friendly relations" with Argentina, Suarez said that "I have ordered an investigation, not in order to find out the sources on whose words the reporter based his report, but to find out whether the report is true."

He said: "I will ask for the friendly cooperation of those individuals to clear up this question as soon as possible." He added, however, that "due to the seriousness of the matter, modifications may be made in the electronic codes," but he refused to go into any further details.

Suarez said that he has not received any report on the detention of the SIDE delegate in Europe who reportedly has committed "administrative irregularities." For this reason the Foreign Ministry reportedly has ordered the delegate's immediate dismissal.

He made it clear that "if this is true, everything will be investigated in time and the government will report to me on this reorganization of the intelligence service." He concluded by saying: "We cannot start any polemics over this, because the most important thing is to clear it up. Unjust things are also part of the games."

OFFICIAL ENDORSES CRITICISM OF AID TO CONTRAS

PY111859 Buenos Aires TIEMPO ARGENTINO in Spanish 9 Jul 86 p 8

[Text] The Argentine Government "shares" the harsh criticism of the United States made by Venezuela before the UN Security Council, which include a direct charge against Washington of "openly promoting actions by irregular groups that wish to oust the Nicaraguan Government by force." This was disclosed yesterday by Latin American Affairs Under Secretary Raul Alconada Sempe.

The comments by the Venezuelan delegate to the United Nations were prompted by the U.S. Government's decision to grant new financial "aid" of $100 million to the Nicaraguan contras, a measure which was approved -- after a close vote -- by the U.S. House of Representatives.

The Venezuelan representative -- Venezuela is a member of the UN Security Council -- said that Caracas "considers regrettable the U.S. Government's decision to follow a policy which undoubtedly violates international law and which -- far from favoring the Central American cause for peace -- only contributes to increase the tensions in the area and could lead to a chain reaction with unpredictable consequences."

Aguilar [not further identified] also stated "that it is surprising that a country which maintains diplomatic relations with the Nicaraguan Government should repeatedly and openly promote and encourage actions by irregular groups aimed at ousting the Nicaraguan Government by force, or imposing upon it a specific behavior pattern."

AEROLINEAS PILOTS REJECT MANAGEMENT CONDITIONS

PY110405 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2153 GMT 10 Jul 86

[Text] Buenos Aires, 10 Jul (NA) -- The Aerolineas Argentinas Pilots Assembly [APLA] tonight rejected the conditions it is facing and confirmed "the state of cessation of air operations and state of assembly" being maintained by its members. The announcement was made shortly before 2000 at the end of an assembly that started at 1800 at the APLA headquarters.

In a communique the APLA states that it "has learned about the negotiations carried out so far by its executive board and fully approves of what has been done."

The communique adds that in view of the new negotiations channel with the enterprise, this assembly also grants [passage indistinct] aimed at satisfying the demands made at the beginning of the conflict."

BOMB EXPLODES AT HIGH SCHOOL; NO INJURIES

PY111833 Buenos Aires TELAM in Spanish 1054 GMT 7 Jul 86

[Text] Buenos Aires, 11 Jul (TELAM) -- A medium-size bomb exploded early this morning in front of the Immaculada Concepcion High School, located at Mario Bravo 563, in the neighborhood of Almagro. The bomb caused damage but no victims, according to the police.

The event occurred at 0555 today and caused commotion among neighbors. The blast damaged the front and entrance to the school and broke some windows.

Personnel from the 9th Police Station are investigating because the school is within their jurisdiction. They are trying to identify and detain those responsible for the attack.

FOUR ARRESTED; EXPLOSIVES SEIZED IN BUENOS AIRES

PY112024 Buenos Aires Domestic Service in Spanish 1600 GMT 11 Jul 86

[Text] Four persons were arrested and several grenades, trotyl cakes, and detonators were seized by personnel of Police Station No 14 of the federal capital during a raid carried out at dawn today in a building that used to house a childrens' charity organization in the San Thelmo neighborhood of Buenos Aires.

This information was provided by the police, who carried out the operation at 0120 after a neighbor had complained that several drunks inside the building had started a fist fight.

After receiving the complaint, six policemen who went to the site to investigate the charges raided the building and arrested four people, among whom is (Angel Carmona), who is accused by his neighbors of protecting groups of hooligans in San Thelmo.

ARMY OCCUPIES OIL REFINERY IN COCHABAMBA

PY110003 Madrid EFE in Spanish 1850 GMT 10 Jul 86

[Text] La Paz, 10 Jul (EFE) -- The 7th Army Division has occupied the Gualberto Villaroel oil refinery, which is located in Valle Hermoso, Cochabamba Department, 403 km southeast of La Paz. The refinery workers have joined the general strike started by the Palmazola refinery workers.

The occupation was confirmed today by the Federation of Bolivian Oilworkers, which regretted the measure adopted by the government, regarding it as "an act of provocation against the trade unions."

The Valle Hermoso refinery workers yesterday staged a general sitdown strike, protesting the Army and police occupation of the Palmazola refinery in Santa Cruz Department and the arrest of 10 trade union leaders.

The 7th Army Division, headquartered in Cochabamba, then took control of the Valle Hermoso refinery.

The government said that this measure addresses the need to preserve the democratic process, threatened by "a political agitation against the executive branch."

The authorities are guaranteeing the supply of fuel to the people, although neither the gas supply for domestic consumption nor the gasoline supply for essential services such as hospitals, police and firemen had been suspended by the strikers.

VICE PRESIDENT'S NEWS CONFERENCE CONCLUDES TRIP

PY101422 La Paz La Red Panamericana in Spanish 1130 GMT 10 Jul 86

[Excerpt] Vice President Julio Garret has said that problems stemming from the foreign debt, the restricted markets, price slumps, and protectionism will be solved only at the political level. He made this statement to the press upon arriving at El Alto International Airport shortly after 2000 last night, ending a month-long tour of European and northern African countries. Garret held several meetings in his capacity as president of the Andean Parliament. [passage omitted]

Garret said the main objective of his tour was to comply with the resolutions issued at the last Andean Parliament session held in Bolivia. He added: I am convinced that the serious problems several countries are confronting because of their foreign debt call for political solutions; that is, solutions that transcend the framework of parties or finance ministers.

The vice president concluded by saying that the world is changing and that Bolivia and Third World countries must adjust thmselves to the new situation. If we do not do that, we will confront serious difficulties in the future, he said. However, he stressed he is sure that the country will overcome this crisis and that the situation will improve.

At the airport the vice president was welcomed by government officials, lawmakers, and a large number of reporters.

REPORT OUTLINES DEBT TERMS WITH PARIS CLUB

PY110022 La Paz La Red Panamericana in Spanish 1700 GMT 10 Jul 86

[Text] The National Economic Stabilization and Reactivation Council has issued a brief report on the terms of the negotiations with the Paris Club, the subject of much criticism in recent days.

The report states that the official overall Bolivian debt to governments or their official agencies through 31 December 1985 amounts to $1,636,400,000.

The overdue debt, that is the debt that has not been paid by Bolivia through 30 June 1986, now totals $392 million. The debt that falls due between 30 June 1986 and 30 June 1987 amounts to $254 million. Therefore, of the total Bolivian debt as of 31 December 1985, $646 million has been renegotiated.

Regarding the conditions for rescheduling the debt, the report states: To pay 100 percent of the overdue principal plus accrued interest that should have been paid on 30 June 1986; and to pay 100 percent of the principal plus interest that will be due on 30 June 1987. Regarding the payment terms of the overall debt, it establishes a 10-year period which includes a 5-year grace period.

A 4-year grace period has been granted for the overdue debt. The report adds that if negotiations had not been conducted with the Paris Club, Bolivia would have had to pay $393 million on 1 July 1986. Thanks to the negotiations and the rescheduling of 100 percent of the principal and interest of those portions of the debt that are due up to 30 June 1987, the most immediate pressure for payments has been eased by $646 million.

GOVERNMENT CONCERNED OVER MINERAL MARKET

PY112354 Paris AFP in Spanish 1250 GMT 11 Jul 86

[Text] La Paz, 11 Jul (AFP) -- It was officially disclosed here today that the Bolivian Government has sent a note to the U.S. ambassador to Bolivia, Edward Rowell, asking the United States to review its decision to sell its antimony reserves, a decision that will affect the market price.

The note, signed by a Foreign Minister Guillermo Bedregal, maintains that the only way to strengthen democracy in Bolivia is by overcoming the economic crisis which is aggravated by the low prices of the minerals that the country produces.

The note goes on to state that placing 1,000 tons of antimony on the market will cause the international price to decline, affecting the national production as well as Bolivian economic programs designed to revive mineral activities.

Moreover, the Bolivian authorities have voiced their concern over the U.S. Government's decision to approve a law that will modify the preferential tarrif. This will create an even greater drop in international prices, which in turn will have a negative effect on the country.

OFFICIAL ON PAYMENT OF INTEREST, SAYAD'S AGENDA

PY112326 Rio de Janeiro O GLOBO in Portuguese 10 Jul 86 p 21

[Text] Brasilia -- Luis Felipe Lampreia, Planning Ministry coordinator for international affairs, yesterday reported that this year Brazil will pay the World Bank (IBRD) $1 billion (13.8 billion cruzados) in interest on its foreign debt. He added that the IBRD will lend the country $2 billion (27.2 billion cruzados) during the 1986-1987 fiscal year.

The coordinator confirmed that tomorrow Minister Joao Sayad will go to Washington, where he will sign the contracts for two $500-million loans which will be used for the agriculture and electric energy industries. Sayad will also try to obtain new financing which would be channeled through the Banco do Brasil to private irrigation projects.

In Washington, Sayad will meet with Federal Reserve (the U.S. central bank) President Paul Volcker and with Treasury Secretary James Baker III, besides attending the installation ceremony of Barber Conable as new IBRD president.

During his talks with Treasury Secretary James Baker, Sayad will defend the position that the international financial stage is again favorable for voluntary loans. James Baker is the creator of the Baker Plan, through which the IBRD and the Inter-American Development Bank will grant $29 billion (401 billion cruzados) to the developing countries through cofinancing operations with the private banks.

MARCHERS PROTEST ANGRA POWER PLANT REOPENING

PY120404 Rio de Janeiro Radio Globo Network in Portuguese 0300 GMT 12 Jul 86

[Text] Virtually all the residents of Angra dos Reis showed up yesterday for a march protesting the reopening of the Angra dos Reis Nuclear Power Plant. Intellectuals, scientists, and artists went to Angra dos Reis to assist the movement, which has the support of all the neighboring cities.

According to actress Lucelia Santos, who was also there, the government must deal with the problem through a plebiscite, debate the safety issues, reveal its evacuation plan, and indicate how the people should react in case of an accident. The actress wants to know if Brazilian medical facilities are prepared to face the various types of cancer caused by radioactivity.

ENVIRONMENT SECRETARY TENDERS RESIGNATION

PY120045 Brasilia Domestic Service in Portuguese 2200 GMT 11 Jul 86

[Text] Environment Secretary Paulo Nogueira Netto today tendered his resignation to Marco Maciel, the chief of the Civilian Household of the Presidency. Paulo Nogueria Netto claimed disagreement with Urban Development and Environment Minister (Dionisio Arce) over the handling of environmental issues.

PINOCHET CONFIRMS DECISION TO EXTEND TERM

PA111902 Paris AFP in Spanish 1838 GMT 11 Jul 86

[Text] Concepcion, Chile, 11 Jul (AFP) -- Chilean President General Augusto Pinochet, in statements which caused an impact in political circles, confirmed today the decision to extend his regime for another 11 years, to halt "the totalitarian threat" of communism. Pinochet reiterated his decision to maintain unchanged the Constitution promulgated 5 years ago, which extended his term until 1989.

The chief of state defended his "legitimate right" to project the work of the military government "beyond 1989," in a new presidential term that would end in 1997.

Political and journalistic circles in Santiago viewed Gen Pinochet's statements as a virtual proclamation of his presidential candidacy.

Predicts 8-Year Extension

PY120326 Santiago Domestic Service in Spanish 2300 GMT 11 Jul 86

[Excerpts] President Augusto Pinochet has said that no one can ignore the government's legitimate right to remain in power after 1989 in a new presidential term. Pinochet added that just as a large majority approved the 1980 Constitution, he is fully convinced that in 1989 the same Chileans will vote to extend the government's term for another 8 years. [recorded passage indistinct]

Pinochet also stated that the continuity of the great national achievements can only be ensured through constant effort and work. He added that an atmosphere of work and development and normal national activity are necessary to fulfill the great national tasks. He also pointed out that the enemies of Chile are tirelessly trying to subvert public order and threaten Chilean society by conducting a criminal communist strategy through the dissemination of false information.

Pinochet emphasized that the enemies of Chile will not achieve anything with their adventurous and criminal acts because Chile has already chosen its future and nothing and no one will change the path of freedom and progress chosen by a free and sovereign nation.

Pinochet delivered this message in Santa Juana, 60 km from Concepcion, where he met with residents at the conclusion of his 5-day tour through the 8th Region. During the tour Pinochet handed over many property titles and he and his wife were declared honored guests. [passage omitted]

Lauds Country's 'Democracy'

PY120021 Santiago Radio Chilena in Spanish 1700 GMT 11 Jul 86

[Text] We are again contacting the city of Concepcion, where the president of the Republic has made an important statement. Elaborating on this news, we now have Eliana Henriquez reporting from Concepcion. Good afternoon, Eliana, go ahead.

[Begin relay] [Henriquez] Good afternoon. This is Eliana Henriquez reporting from Concepcion.

President Augusto Pinochet today said that he believes that nowhere else in the world is there more democracy than in Chile today. The head of state spoke during a meeting with Concepcion neighborhood committee leaders at the Concepcion sports stadium on the last day of his tour through the 8th Region.

In his speech Pinochet said that many times the authorities have received criticism, and he has sought solutions to such criticism. He also reasserted that there are sectors that oppose the 1980 Constitution because it restricts the activities of political parties and does not permit them to do what they please, as they did in the past. Pinochet also stressed that the Constitution provides for the establishment of a national security council and that its basic goal is to enhance respect for the family and for mid-level organizations so that the people may channel their concerns through them to the government.

[Begin Pinochet recording] I believe that nowhere else in the world is there more democracy than we have, because many times I have received criticism and we have sought solutions to the problems. Therefore, I am saying that nowhere else is there more democracy. [end recording]

Pinochet also said that the delay in issuing the laws on CODECOS [Community Development Councils] and COREDES [Regional Development Concils] is due to the fact that the bill has some weak points which could permit communist infiltration. He said that the laws will be completed in early 1987.

After the meeting, the head of state went to Santa Juana, 50 km from Concepcion, where he is now attending a rally. It is expected that on this occasion Pinochet will again refer to the government's willingness to continue beyond 1989.

This was Eliana Henriquez reporting from Concepcion. [end relay]

POLITICAL GROUPS REACT TO PINOCHET'S COMMENTS

PY132356 Madrid EFE in Spanish 1703 GMT 12 Jul 86

[Text] Santiago, 12 Jul (EFE) -- President Pinochet's comment that his government could remain in power until 1997 has provoked negative reactions from several groups, including rightist sectors close to the government. Andres Chadwick, leader of the Independent Democratic Union [UDI], a promilitary government group, said: "If the president intended to say that he wishes to continue his administration without respecting the constitutional regulations, I completely disagree with him."

Patricio Phillips of the National Party, which is rightist and belongs to the moderate opposition, he said: "What Pinochet has said might be just a thoughtless reaction, because he must certainly be upset by the events at his family's mausoleum." Pinochet's family mausoleum was vandalized by groups of demonstrators recently during the funeral of Rodrigo Rojas, a young Chilean photographer who was a resident of the United States. According to Rojas' family, Rodrigo was burned by people wearing military uniforms.

Andres Allamand, head of the National Union, which although rightist belongs to the moderate opposition, said that Pinochet's words "are without doubt very serious" because they "contradict the meaning attributed by the government itself to the period ending in 1989."

The right-wing opposition Republican Party, through its leader Javier Diaz, has stated that "General Pinochet must be congratulated because he has finally clarified a doubt we all had."

Similar reactions were forthcoming from the center sectors of the opposition.

Christian Democracy, for example, has said that Pinochet's comments "are extremely serious for Chile's future and social peace."

Rene Abeliuk, president of the Social Democratic Party, said that "once again Gen Pinochet's sudden reactions have had the virtue of revealing his real intentions to the country."

Jose Sanfuentes of the Communist Party and the Popular Democratic Movement believes that "Gen Pinochet has publicly revealed what the whole country already knew: He wants to remain in power at any price."

PDC Sees 'Provocation'

PY120158 Santiago Radio Chilena in Spanish 2300 GMT 11 Jul 86

[Text] The Christian Democratic Party [PDC] today released the following statement: General Pinochet has taken the country by surprise with statements which we consider extremely serious for the future of Chile and social peace.

The PDC believes it is necessary to evaluate the political and social situation of the country at a time when crimes are being investigated, social leaders and students are being brutally persecuted, and the country has just massively expressed its anguish and discontent in a strike on 2 and 3 July.

We believe that Pinochet's statements are a provocation to the nation. This situation forces all responsible political parties to define their position. We will make our position known during a press conference on 14 July at 1130.

Signed: Eugenio Ortega, PDC national secretary

Abeliuk Reacts to Speech

PY110407 Santiago Radio Chilena in Spanish 2300 GMT 11 Jul 86

[Text] Social Democrat Rene Abeliuk has said that the writers of the 1980 Constitution planned for a plebiscite in 1989, and Pinochet forgot this in his speech delivered in Concepcion this morning. Abeliuk said that people here and abroad believed that there was a plan for democracy. He added that the fairy tale is over even for countries that believed in it. Very serious governments are now aware that the plan for democracy is not true.

[Begin Abeliuk recording] The fairy tale that we are on the way to democracy is over for a world that no longer accepts dictatorships, for a world that has been moved by the horror of the youths who were burned and by the repression of the people who buried one of the burning victims. What else can we say? It is obvious that Pinochet's announcement is going to have great impact. I believe it is a good thing. Why continue with a lie? The entire world should know now that he wants to remain in power indefinitely. [end recording]

This was a reaction from Rene Abeliuk, president of Social Democracy, to the speech delivered today by General Pinochet to a group of women in Concepcion.

INTERIOR MINISTER ON CASE OF BURNED YOUTHS

PY122018 Santiago Domestic Service in Spanish 1700 GMT 12 Jul 86

[Text] The government is the party most interested in clarifying as soon as possible the case of the youths who were burned during the violent events last week. This comment was made today by Interior Minister Ricardo Garcia during a press conference when he was asked about the measures that have been taken regarding this unfortunate event.

Rodrigo Fojas Denegri and Carmen Gloria Quintana were the victims of unknown persons who set fire to them. Rojas Denegri died. Quintana, a young student, suffered serious injuries.

[Begin Garcia recording] This event goes against everything the government stands for, the spirit that guides us, and the realities of the government actions. In view of this, the Interior Ministry, on the day the event took place, asked the prosecutor to fully clarify the case. We expect it to be fully clarified, not because this is requested from beyond our borders; it is a decision of our own, wholly our own, because it is in accordance with our principles. [end recording]

The minister said that the Interior Ministry has tried to cooperate with the courts, which have become intrigued by the case, asking that measures be taken which would be useful to clear up the case.

[Begin recording] The case is in the hands of the courts. A prosecutor is in charge of the investigation, which is in its preliminary stages. I cannot say how far the process has advanced in the courts; that is not for me to say, it is up to the judge who has taken over the responsibility. I only expect that the data that have been gathered will lead [words indistinct]. It is not a matter for people outside Chile [words indistinct]. Independently, and long before those people, we asked for clarification on the first day. It is unreasonable for anyone to take advantage of this type of event. This disgusts and disturbs all of us [words indistinct. [end recording]

Regarding comments by the president regarding the extension of the government beyond 1989, Minister Garcia said:

[Begin recording] His excellency, the president, gave a speech yesterday and made perfectly clear the meaning he gives to this extension and to the comments he had made before the speech. He said very clearly that (?the regime) should be completed according to the context of the Constitution [passage indistinct] [end recording]

Minister Garcia said that the government is very much aware of the importance of maintaining its principles and values beyond 1989.

REGIME TO FILE SUIT AGAINST U.S. PUBLICATIONS

PY120226 Madrid EFE in Spanish 0141 GMT 12 Jul 86

[Text] Santiago, 11 Jul (EFE) -- General Augusto Pinochet's government is going to file a $500-million suit against some U.S. publications, especially newspapers, for insulting and libeling the Chilean regime. Radio Cooperative has disseminated this report, attributing it to a "highly reliable" government source.

The radio station has also indicated that, according to the source, the suit will be filed before the appropriate court in the the very near future.

The station reported that the source did not mention which publications were involved.

According to the source, the station reported, the alleged insults and libel are a part of "the international campaign against Chile that has been going on for some time now."

9 CIVIC ASSEMBLY LEADERS SENT TO PRISON

PY121610 Santiago Domestic Service in Spanish 1100 GMT 12 Jul 86

[Text] The judge who is investigating the responsibilities of those who called the 2-day protest on 2 and 3 July has ordered the detention of 9 of the 18 who have been accused so far. Of this total, 15 are in detention. It is believed that Judge German Valenzuela will finish the first part of his work today, questioning the remaining 5. [numbers as heard]

Among those who have been detained and sent to the former Santiago Penitientiary is Dr Juan Luis Gonzalez, president of the Medical Association and of the self-styled National Civic Assembly. Another of those imprisoned is Hector Molla Marin, president of the Metropolitan Area Bus (?Lines). The remaining seven are: Ignacio Balvontin, Lautaro Ojeda, Andres Rengifo, Patricio Basso, Francisco Rivas, Soledad Larrain, and Maria Antonieta Sal.

Today the judge will question Juan Carlos Latorre, Angel Maulen, Eugenio Leon, Jorge Pavet, Jose Santos (Millao), and Luataro (Lave).

Maria Lucy Traipe and Eduardo Valencia are still eluding the police and court action. Osvaldo Verdugo, president of the Teachers Association, is the only one against whom no arrest warrant has been issued.

The Interior Ministry has said that the 18 people are charged with breaking the state security law on seven counts for calling and participating in [words indistinct].

Church Backs ANC Leaders

PY132128 Madrid EFE in Spanish 1726 GMT 13 Jul 86

[Text] Santiago, 13 Jul (EFE) -- The Chilean Episcopate today expressed its support for the 15 leaders of the National Civic Assembly [ANC] who have been in custody since last Thursday in connection with a suit filed against them by the government.

The Chilean bishops have told the arrested ANC leaders that "we are convinced that you are serving a just cause and that you are doing it peacefully." This support is expressed in a letter signed by Msgr Bernardino Pinera, president of the Episcopal Conference of Chile, on behalf of the bishops assembly.

The letter was delivered to the arrested ANC leaders this morning during a visit to the jail by Episcopal Conference Secretary General Msgr Sergio Contreras, auxiliary bishop of Santiago, and by the bishop of Ancud, Juan Luis Isern. When they came out of the jail after the visit, Msgr Jorge Hourton said that "this was a visit of sympathy and support. We delivered a letter from the Episcopate Assembly, which ended yesteday. Then we decided to express our support and sympathy to these leaders.

Fifteen leaders of the ANC, the largest grouping of opposition organizations that has been created since the military coup in 1973, are in custody in connection with a suit filed against them by the government of General Augusto Pinochet.

The government has accused them of being responsible for the general strike on 2-3 July and the incidents that left 8 people dead, about 100 injured, and nearly 800 arrested.

Two other leaders who have been accused by the government, Maria Lucy Traipe, a Mapuche Indian leader, and Eduardo Valencia, a leader of the poor neighborhood residents, have not yet appeared in court. Warrants have been issued for their arrest.

The ANC, which was created last April, has implemented a campaign of civil disobedience to pressure the military regime to restore a democratic system in the country.

COMBINED FORCES RAID SANTIAGO SLUM 11 JULY

PY111515 Madrid EFE in Spanish 1337 GMT 11 Jul 86

[Text] Santiago, 11 Jul (EFE) -- Security forces are today conducting another massive raid in Santiago, this time in the Cerro Navia slum district in the eastern part of the city. Military, carabineros, and investigative police personnel are participating in this operation.

Armed soldiers with painted faces have sealed off the area, while joint forces are raiding houses. Male residents are being rounded up in open places where their papers are checked. Meanwhile, no one can enter or leave the raided district.

Roberto Garreton, an attorney of the Catholic Church's Vicariate of Solidarity, said that he had talked by telephone with a member of the Human Rights Commission that was recently created by the military government, asking him to take some action in view of this new massive raid.

Garreton said the member of this progovernment commission told him that he should make the request in writing.

Arrest 37, Check 1,300

PY120202 Santiago Radio Chilena in Spanish 2300 GMT 11 Jul 86

[Excerpts] Military and police forces have arrested 37 persons during raids in the slum districts of (Sara Jajardo), Lo Amor, Vida Nueva, Las Casas and Intendente Saavedra.
The security forces checked 1,300 persons from 0700 until approximately 1400. THis information is an official report on the raids. The priest of this area, (Langula Hand), reported that those arrested were taken to the 9th Police Precinct . [passage omitted]

EXPLOSIONS CAUSE SUPERMARKET FIRES IN TWO CITIES

PA130307 Paris AFP in Spanish 0225 GMT 13 Jul 86

[Text] Vina del Mar, Chile, 12 Jul (AFP) -- Two big supermarkets were set on fire today in the Chilean cities of Vina del Mar and Villa Alemana. Police and firemen reported that the fires were caused by explosive devices. Another bomb was deactivated on the shelves of a similar establishment in Quilpue, a township close to Villa Alemana.

The authorities also reported that a public bus in Valparaiso port, the capital of the region, northwest of Santiago, was set on fire by a "Molotov cocktail" hurled by unidentified persons.

No organization has claimed responsibility for the attacks, which are similar to hundreds of other acts of sabotage carried out in the past few years by clandestine groups fighting the military regime of President Augusto Pinochet.

1 ARRESTED IN INVESTIGATION OF UK CONSUL'S DEATH

PA111847 Bogota Television Service in Spanish 1730 GMT 11 Jul 86

[Text] In Barranquilla, one person was arrested during the investigation being carried out by the authorities regarding who killed the UK consul in Barranquilla and why. Our correspondent Marta Milena Barrios was told the consul had reported that he had received several death threats.

[Begin recording] [Barrios] The Atlantic police have started an intense operation throughout the city to find the two hired assassins who killed UK Consul in Barranquilla Geoffrey Hutchinson. The attack happened at 1700 near the Metropolitan Cathedral when the Buick automobile in which the diplomat was travelling was intercepted by a gray Honda 500 motorcycle. From there, two men in their mid-20's shot him three times in the face and chest. He was killed instantly. So far, the police have interrogated some 20 witnesses and arrested 1 person last night. The name has not been disclosed so as not to hinder the investigations. Colonel Antonio Sanchez, commander of the Atlantic police, said the results of the investigation have been favorable.

[Sanchez] According to the information received, it is presumed that the crime was for personal reasons.

[Barrios] Six months ago Consul Hutchinson reported to the police that he had been threatened with death. He was 49 and had been in this post for 7 years, after his father, a Jamaican citizen who had occupied this post for a long time, died. He was married to a U.S. citizen and had two children. Mr. Hutchinson was the Land Rover dealer in Barranquilla and was the owner of the Auto Litoral company, from where he was travelling to the governor's office when he was killed. The funeral will be on 12 July. [end recording]

Governor Deplores Crime

PA111337 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 11 Jul 86

[Text] The following report was sent from Barranquilla by Carlos Garcia Mendoza. Atlantic Department Governor [name indistinct] has asked the security bodies not to rest unti they find the mastermind and the actual killers of the British consul in Barranquilla, Geoffrey Hutchinson, whom he met a long time ago because of his commercial activities.

Visibly upset, the governor said that the death of the diplomat represents a serious blow for the people of Barranquilla and that the crime must be solved as soon as possible.

Meanwhile, Department Police Commander Col Antonio Sanchez Varga regretted this new act of violence on the Atlantic coast. He said this is an isolated case that will be cleared up by the authorities, who in the past 15 days have solved murder cases involving a jewelry salesman and a university professor.

BRIEFS

MARIJUANA CONFISCATED -- Eighty people were detained and 20 tons of marijuana confiscated during a police raid in Santa Marta on 10 July. In addition, the police seized 8 boats and 23 firearms. [Summary] [Bogota Television Service in Spanish 1730 GMT 10 Jul 86 PA]

WAGNER ASSESSES FOREIGN POLICY UNDER GARCIA

PY120250 Madrid EFE in Spanish 0015 GMT 12 Jul 86

[Text] Lima, 11 Jul (EFE) -- Foreign Minister Allan Wagner today said in Lima that Peru's foreign policy has been reoriented in two ways: toward neighboring countries and toward active participation on the international scene.

Wagner said that "specific steps" toward detente "have been taken" in the policy toward neighboring countries, recalling that during his tenure he has officially visited Ecuador and Bolivia and that he held three working meetings with his Chilean counterpart.

Moreover, Wagner said that he received a visit from the Colombian foreign minister and that he plans to receive a visit from his Brazilian counterpart this year. He said all this activity demonstrates the importance Peru gives to neighboring countries, "which prompts dynamic relations and contributes to Latin American unity."

Referring to Latin American unity, the Peruvian foreign minister stated that the visits President Alan Garcia has made to Argentina and Uruguay have strengthened efforts to achieve such unity.

Concerning Peru's active participation on the international scene, Wagner said that such participation is taking place, especially with the nonaligned countries and at the United Nations, and that Peruvian proposals were approved at those forums. For example, in Luanda the nonaligned countries approved a resolution reflecting Peru's stand on the foreign-debt issue.

Wagner discussed Peru's foreign policy as he assessed the administration of President Alan Garcia after 11 months in office. Wagner said that in these 11 months the democratic system has been strengthened, and "the beginning of a new stage in the process of the country's development has been marked."

GUARD'S MARTINEZ RETIRED; REPLACEMENT SWORN IN

PA122002 Paris AFP in Spanish 1827 GMT 12 Jul 86

[Excerpts] Lima, 12 Jul (AFP) -- General Faber Cabello Caceres was sworn in today as the new director of the Republican Guard [GR], replacing General Maximo Martinez, whom the government removed from office and sent into retirement after being singled out as responsible for the killing of more than 100 inmates during the Peruvian prison uprisings, it was officially reported. [passage ommitted]

The resolution on the appointment of the new police chief, who took office today, was published in Peru's official gazette.

Two months ago former police chief General Julio Nino Rios, was also sent into retirement after the scandalous escape of two kidnappers from a small jail that the GR operates in the Justice Palace. Several officers and lower-ranking guards were prosecuted, charged with responsibility in the escape.

PORT DIRECTOR DENIES LINKS TO ARMS SHIPMENT

PY112109 Lima Television Peruana in Spanish 0100 GMT 11 Jul 86

[Text] Executive President of the National Ports Enterprise [ENAPU] Miguel Machado Cabello gave some explanations today regarding the cargo ship Pia Vesta and the destination of its cargo. He said that the cargo of Soviet-made weapons was not consigned to ENAPU Port Director Orestes (Sariaga), as was reported by the media.

[Begin recording] [Cabello] I have read in one of the weeklies that came out on Monday of this week and in the newspapers that the weapons in the cargo of that ship were consigned to ENAPU. I believe that this report is incorrect. ENAPU is well-known in the country as an enterprise involved exclusively in port activities, taking care of ships and cargoes. ENAPU never knew about this ship. This enterprise never serviced this ship and was never to service it.

[Reporter] What is the current situation of Mr Orestes (Sariaga), who is said to be directly responsible for the Cargo?

[Cabello] Your mention of Orestes (Sariaga) causes great surprise, because he is a man known for his honesty in performing his duties. He has worked for 38 years without interruption for the National Ports Enterprise, and his record is unblemished. This is how he managed to reach the post of manager of the Maritime Terminal of El Callao. He is a well-known man.

[Reporter] Do you then discard the possibility that he is in some way responsible in this case?

[Cabello] Personally, I discard it because I know Orestes (Sariaga) well, as I do the details of the case. [Words indistinct] could have been Miguel Machado Cabello or any other individual. It was not his fault, and it cannot be his fault. The simple fact that a cargo is said to be consigned to Orestes (Sariaga)...[changes thought] You know even reference to guns is made. Before the arrival of this ship, Mr (Sariaga) informed the Customs Police in this port and the customs administration of a situation that, in his view, was irregular, presuming that it involved smuggling. [end recording]

TERRORISTS BOMB APRA DISTRICT OFFICE

PY111835 Lima Canal 9 Television in Spanish 0315 GMT 11 Jul 86

[Text] An attack that caused damage but no casualties occurred this morning at a APRA [American Popular Revolutionary Alliance] district office in the Carmen de la Legua neighborhood of Lima. The attack took place at 0545. According to witnesses, three people in a red Toyota without license plates hurled a powerful bomb inside the APRA district office. The bomb exploded, causing serious material damage, practically destroying all the furnishings inside.

Only the APRA district Secretary General Victor Diaz Marujo was inside the office, where he usually sleeps. He was not hurt because he was on the second floor when the bomb exploded. Simultaneously, the house of an APRA member located behind the APRA district office was attacked.

COLUMNIST VIEWS UPCOMING REAGAN-DE LA MADRID MEETING

PA110440 Mexico City UNOMASUNO in Spanish 7 Jul 86 p 10

[By Javier Solorzano Zinser: "Unity and Strength in Foreign Policy"]

[Text] In the last few months we have experienced the most difficult moments of U.S.-Mexican relations. The problems have been on several fronts, but perhaps the most difficult one has been the meddling in our internal affairs by some members of the U.S. Senate. The ineffable Helms and the undiplomatic behavior of former Ambassador John Gavid have taken relations to complex circumstances that are difficult to handle.

At the same time, one cannot ignore the role of the Central American situation. As is known, the relations between our country and our northern neighbors have been marked by confrontations regarding the destiny of the countries of the region. The efforts of Contadora have always found an opponent in the United States. On one hand, the United States expresses support, and on the other it allocates $100 million for the Nicaraguan contras in an action that shows the lack of political will in favor of the Contadora process.

Of course, things do not stop there. We are not far from the days when Ambassador Kirkpatrick stated that Mexico's vote in the United Nations was always contrary to the United States as if being neighbors means that we must have similar political views. In those days, Mexico was compared to Cuba and Nicaragua because those countries maintained their independence in the international arena.

Things have not been easy. Other elements have also affected relations. Drug trafficking is an issue that is apparently being put to rest. Some members of President Reagan's Cabinet have acknowledged the work of the Mexican Government. Above all, it is understood that the problem does not only belong to Mexico and that it is a worldwide problem and that the United States shares a great responsibility. For example, the consumption of drugs plays a central role in drug trafficking and in the neighboring country, consumption is alarming.

In their first meeting, the Mexican and U.S. presidents contemplated the possibility of meeting at least every 6 months. To date, such a plan has been carried out to a considerable degree. Nevertheless, in the last meeting there were rumors about the climate of the talks. The Mexican Government was apparently not heard as it really wanted. Quick meetings with lower ranking officials were the framework for a meeting that was vital at that time for Mexico and the United States and that passed without pain or glory.

The climate is now more tense and delicate than it was in January. If on that date the basic topics were those of drug trafficking and the ever present subject of the illegal immigrants, we now must add issues of importance because they concern our country's independence and sovereignty. The interest of some U.S. senators with regard to the elections in Chihuahua is not accidental. Their alleged interest is marked by openly interventionist intentions and actions.

That is why it is essential that the U.S. Govenment know the importance that our country gives to the interventionist attitudes of some officials and of former Ambassador Gavin. The latter's insolence knows no bounds, and it is hard to believe that his attitude does not involve an overall policy. Likewise, the way that U.S. Senator Helms has been permitted to speak and to act tops it all. It is clear that he is not a senior official, but the White House must understand that his stance makes even more tense a relationship that has always been difficult.

The new meeting is also being held at a time when the internal situation is complex. The electoral processes and the attitude that the government adopts regarding the results might be a factor of weakness or strength in the August meeting. So far, there has been a positive balance in the elections in some states. The cases of Chihuahua and Sinaloa are being awaited by many so that they can now launch a serious attack.

The important thing is that we not harbor many expectations. It is known that meetings ease tensions but that they rarely lead to a radical change in relations. In view of this meeting, the social organizations and the political parties must understand that this is a difficult political and economic moment that requires unity. Today, more than ever, we must state that that Mexican president needs internal support and strength to face a situation that must be accompanied by political force and awareness.

Internal division is understandable, but we must understand that when we face the world and especially the United States, support and above all unity, is essential. The president must not go it alone. At the same time, the official position must also be strong and resolute. We cannot permit the relations to be marked by lack of attention to diplomacy. The strength of the government in the meeting will be based on the firmness and determination of its proposals which must be in line with the defense of sovereignty and self-determination which is what in the end we want for ourselves and for Central America.

SEPULVEDA CALLS FOR 'PRUDENT PATH' IN REGION

PA112023 Mexico City EXCELSIOR in Spanish 9 Jul 86 pp 1 A, 16 A, 36 A

[By EXCELSIOR correspondent Raymundo Riva Palacio]

[Excerpt] Madrid, 8 Jul -- Foreign Secretary Bernardo Sepulveda today urged the United States and Nicaragua to return to politically prudent paths when he warned that the radicalization of their positions will only lead to confrontation and foil the work of the Contadora Group.

In an interview with EXCELSIOR, Sepulveda insisted that Contadora is still in effect, but he admitted that if the "full" operation proposed by the Group is rejected, chaos will begin in Central America which "we feel is highly undesirable for the region."

"There is concern that disorders may result in actions that Contadora seeks to avoid," Sepulveda said. "In other words, that it may result in instability, anarchy, and unrest in the coexistence of the Central American states and in other states involved in the Central American conflict."

Sepulveda, who is in Madrid for a 3-day visit, referred to the situation in the area, which has further deteriorated due to the approval of the contra aid by the U.S. Congress -- which will revive the military struggle of the United States against Nicaragua -- and the reaction of the Sandinist government, which closed LA PRENSA and sent Bishop Pablo Antonio Vega, vice president of the Nicaraguan Episcopal Conference, into exile.

"This is precisely what we are worried about," Sepulveda continued," the start of a period of radicalization of positions which could result in undesirable intransigent positions that may put an end to the plan for a peaceful coexistence."

"In fact," he added, "this kind of radical attitude can only lead to closing political paths, putting an end to the ability to negotiate, and foiling a plan that advocated peaceful coexistence in the Central American region with reciprocal tolerance and the acceptance of formulas that would lead to stability and coexistence." [passage omitted]

PETRICIOLI NAMES BANK, SECRETARIAT OFFICIALS

FL101655 Mexico City NOTIMEX in Spanish 0355 GMT 10 Jul 86

[Text] Mexico City, 8 Jul (NOTIMEX) -- Finance Secretary Gustavo Petricioli Iturbe has appointed Carlos Sales Gutierrez as director general of the National Bank of Works and Public Services [Banobras] and Jaime Serra Puche as under secretary for revenue.

The two public servants are replacing Enrique Creel de la Barra and Gullermo Prieto Fortun, respectively. Until today, Sales Gutierrez was undersecretary of the national bank and Serra Puche the advisers' coordinator of the Finance Secretariat. Having fulfilled the main tasks which led to the creation of the National Bank Under Secretariat, tasks aimed at determining the structure which would make possible the functions of the country's new banking system, the executive official today ordered that the corresponding measures be coordinated now by the Finance Under Secretariat, under the supervision of Under Secretary Francisco Suarez Davila.

In this way, the general directorates of the Development Bank, Multiple Bank, and the Securities and Commodities Bank will be under the Finance Under Secretariat, eliminating management and advisers' coordination of the Bank Under Secretariat and Banking Policy Office.

The finance secretary appointed Manuel Calderon de la Barca as Banpais director general, replacing Tomas Gonzalez Hinojosa. His post of Finance Secretariat's internal comptroller will be assumed by Rosaura Velarde.

Hugo Garcia Blanke and Gustavo Mohart Betancourt will be responsible for coordinating advisers to the finance secretary and the office of development bank general directorate, respectively.

As he formally announced these structural changes, Petricioli Iturbe said they strengthen the Mexican banking sector and the Finance Secretariat.

He added that with these changes it is being demonstrated once more that the secretariat does not only fulfil its obligations, but also trains and prepares public servants who contribute to the effort Mexico is making to continue its progress.

Travels to U.S. For IMF Talks

PA122319 Mexico City THE NEWS in English 11 Jul 86 p 46

[Text] Finance Secretary Gustavo Petriciolo flew to Washington Thursday to resume negotiations with creditor banks and the International Monetary Fund (IMF).

Unofficial reports indicated Mexico will sign a new agreement with the IMF Tuesday.

Petricioli was to meet today with U.S. Treasury Secretary James Baker and Federal Reserve Board Chairman Paul Volcker.

Also scheduled are negotiating sessions with IMF Managing Director Jacques de Larosiere and recently appointed World Bank President Barber Conable.

Traveling with Petricioli are Undersecretary of Finance Francisco Suarez Davila, Undersecretary of Planning and Budget Control for the Secretariat of Programming and Budget Pedro Aspe and Public Debt Director Jose Angel Gurria.

DEPUTIES PROTEST U.S. 'INTERVENTION' IN ELECTIONS

PA120156 Mexico City UNOMASUNO in Spanish 4 Jul 86 p 4

["Parties and Chambers" column by Gonzalo Alvarez del Villar]

[Text] Two topics were discussed for more than 4 hours during the ordinary session of the Permanent Commission of the Congress of the Union held after the departure from Mexico of Guatemalan President Vinicio Cerezo: the flagrant violation of international law by the United States in its meddling in Mexico's domestic affairs -- namely, in next Sunday's elections in six states of the union -- and the aid that the United States has given the PAN [National Action Party] in Chihuahua.

Jesus Gonzalez Schmall listened to the recriminations by deputies Martin Tavira of the PPS [People's Socialist Party], Santiago Onate of the PRI, Pedro Penaloza of the PRT [Revolutionary Workers Party], Jorge Alcocer of the PSUM [United Socialist Party of [Mexico], and PRI Senator Humberto Celso Delgado.

All of them -- except Gonzalez Schmall -- spoke against the U.S. campaign to discredit Mexico, the U.S. open intervention in Mexico's domestic affairs, and its aid for the PAN in Chihuahua. Gonzalez Schmall took the floor five times to defend his party's stance, but he never admitted the U.S. support, much less criticized the alleged U.S. participation in the then upcoming elections.

Referring to a possible electoral fraud, specifically in Chihuahua, Gonzalez Schmall said that this problem has already been discussed, not only in the U.S. newspapers, but also in France, Australia, Spain, and Germany. He said that no one seeks bipartisanism. "We seek office through popular elections. We want democracy."

The legislators told Gonzalez Schmall that "the hunger strike by three PAN members in Chihuahua is a political propaganda move that violates paragraphs of Article 517. In addition, PAN members attacked means of communication by blocking a highway and taking over a radio broadcasting station. Onate of the PRI said. [quotation marks as published]

Alcocer of the PSUM said: "We have neither denied nor predicted frauds, [as published] but we have seen that our representatives in Chihuahua were hindered by PRI tricks. In Ciudad Juarez alone, 300 of our representatives were excluded. We were prevented from registering our representatives in Zaragoza, a municipality where the PSUM predominatges... The PRI does not want witnesses. In addition, Francisco Baeza has slandered us by pretending that we have allied ourselves with the PAN. What is being prepared in Chihuahua? We do not know. But should there be any fraud, we will report it. The PSUM will support the people of Chihuahua."

Tavira of the PPS said: "PAN's propaganda in Chihuahua is completely American and offends destitute people like the Mexicans. Also, the country's sovereignty is endangered by the imperialist intervention in Chihuahua. Furthermore, the clergy has shamelessly intervened and the celebrated Ciudad Juarez Bishop Manuel Talamas has held pro-PAN meetings."

Senator Delgado said: "We will not tolerate in our country the intervention of foreign organizations that openly back the PAN. In addition, look at these articles that the PAN published during its campaign under the title 'Not Everything in Mexico is the World Cup.' According to the PAN people -- and it says so here -- Mexico represents corruption, misery, crowding...there is educational backwardness, disease, distress over the present and the future, and everything is a circus and a sham... With such publications, the PAN degrades the image of Mexico and of all political parties. The PAN is a letterhead at the service of foreigners."

Senator Delgado slipped up at this point by saying: "The opposition parties will never obtain the office of governor, much less the Presidency of the republic. If the opposition wants a seat in the Senate, let them win it..."

Now it was the turn of PRT's Penaloza, who also demanded the end of foreign intervention in the country's elections. He replied to Delgado and asked him to keep in mind that political offices are won through votes. Penaloza criticized Delgado contention that the opposition would never win a governorship, much less the Presidency. Penaloza pointed out: "Both the PAN and the PRI share the same classic stance, but the PRI uses state resources and the PAN uses industrialists' resources."

Penaloza added: "We will not accept patriotic frauds in Chihuahua. In addition, although the PRI has committed fraud, so did the PAN 3 years ago, when its members moved aboard vehicles from one ballot box to another to cast their votes again and again..."

Once again, Gonzalez Schmall took the floor. He said that Delgado had "gone astray because of power" because of Delgado's remarks that the opposition would never gain access to governorships or the Presidency of the republic. Gonzalez Schmall accused the PRI of unduly and dishonestly manipulating the people's economic resources. He pointed out: "We elected our candidates for Chihuahua during an assembly and not by the governor's instructions."

20,000 PROTEST ELECTION RESULTS IN CHIHUAHUA

PA120018 Mexico City THE NEWS in English 11 Jul 86 p 4

[By Karen R. Branch]

[Excerpt] Chihuahua -- An estimated 20,000 people crowded into the city's main square Thursday for the strongest protest yet against alleged fraud in statewide elections held Sunday, while a group of businessmen expressed support for the ruling Institutional Revolutionary Party (PRI).

Officials said final elections results will be released by the State Electoral Commission Sunday, but the PRI has claimed since Tuesday that its gubernatorial candidate, Fernando Baeza Melendez, won the elections by a landslide. The National Action Party (PAN) has claimed there were incidents of fraud in the voting and has been calling on its supporters to protest.

Baeza, who spoke during a meeting with PRI businessmen, said the election documents were signed by official PAN observers.

"We can't provide more proof to demonstrate the validity of those votes," said the PRI candidate.

"The PRI doesn't want a vote earned by corruption. We're not going to take one vote that doesn't belong to us, but we're not going to give up one vote that validly belongs to the PRI."

At noon, other private businessmen joined the PAN protest of Sunday's elections by closing down their businesses and factories until midnight Thursday.

The shutdown was announced late Wednesday night following a meeting of representatives from the Chihuahua business center and the regional chapters of Canaco [National Chamber of Commerce] and Canacintra [National Association of the Processing Industry] which represent a total of nearly 4,000 privately owned businesses.

According to Chihuahua Business Center Director Guillermo Villalobos, the shutdown was a "round success," with the "large majoraity" of city businesses and industries participating.

An afternoon survey of area businesses revealed about 30 percent had closed their doors for the protest.

Baeza, however, said the protests are based on a "sore loser" attitude on the part of the PAN.

"Elections are won with votes and not shouting in the streets," he said. "I feel that we won and I take that from logic and not from triumphalist attitude."

"If there were irregularities, then they must be taken care of by the corresponding officials, whose judgments we will accept without question."

The 20 or so businessmen who met with Baeza also criticized the protests by the PAN supporters.

"They're using the name of the private initiative to protest Sunday's election results in an irresponsible way," said Francisco Alons. "The private initiative is composed of many citizens and the immense majority is outside of this movement." [passage omitted]

ARMY REPORTS JUNE ANTIDRUG CAMPAIGN RESULTS

PA111418 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 10 Jul 86

[By Humberto Mares Navarro]

[Excerpt] The Mexican Army continues to be successful in its constant campaign against drug trafficking. National Defense Secretary General Juan Arevalo Gardoqui today reported to President Miguel de la Madrid on last month's results. From 18 June to date, the Mexican Army destroyed 42.66 hectares planted with poppies and 283 hectares of marijuana. The 42.66 hectares planted with poppies would have produced approximately 853 kg of opium paste and the 283 hectares of marijuana would have produced 283 tons of marijuana. The Mexican Army also confiscated 921 kg of packaged marijuana, 11 kg of marijuana seeds, and 14 kg of poppy seeds, and 433 weapons. The army also arrested 131 alleged drug traffickers. [passage ommitted]

DELVALLE DISCUSSES HELMS CHARGES, CONTADORA

PA092158 Mexico City EXCELSIOR in Spanish 1 Jul 86 pp 1-A, 29-A, 32-A

[By J. Jaime Hernandez]

[Text] Panama City, 30 June -- President Eric Arturo Delvalle today demanded "a little more common sense" from U.S. Senator Jesse Helms, about whom Delvalle said: "He has only succeeded in creating an anti-U.S. feeling in Mexico and Panama."

During an exclusive interview for EXCELSIOR, the president defended Panamanian Defense Forces Chief General Manuel Antonio Noriega, whom the U.S. press links to alleged money laundering, drug trafficking, and espionage. Delvalle said that, for the time being, "my country's government absolves the U.S. Government of all participation in this campaign." I am sure, he said, that the U.S. Government is not promoting this campaign and that it is not good for the United States.

He added: "Mexico and Panama share a certain bitterness today" about their relations with the United States. He referred to the attacks that Jesse Helms, chairman of the U.S. Senate's Foreign Relations Committee [as published], has unleashed against "important Mexican and Panamanian political figures." Delvalle said: This shows that Senator Helms' mind lives in another era. This, however, will not invalidate the Torrijos-Carter Treaties on handing over the Panama Canal by 2000 or halt the efforts of the Contadora Group to bring peace to Central America.

Delvalle is an extremely cautious man. He has been in office since 28 September, and received the reporter during one of his customary morning strolls in the capital's heat and rain that prevail for 9 months. The president is currently in the midst of one of his term's most difficult periods.

According to Delvalle, who is 49 years old, has greying hair, and a sharp nose, and who combines the abilities of businessman and statesman, "some members of the Panamanian opposition exiled during the Torrijos times have unleashed an attack against the Defense Forces and particularly against General Noriega," who has been described in the U.S. Capitol hallways "as the leader of an important gang of drug distributors" based in Panama.

"Senator Helms has taken up these attacks and this movement and magnified them" with an eye on the date of the fulfillment of the Torrijos-Carter Treaties. In addition, and from now to November, Helms will try "to play a leading role in efforts to influence the upcoming elections in which he will participate." He will also try to influence the appointment of new ambassadors of the so-called "Helms clan" in Latin America.

Devalle added: "For this reason, we should not be surprised about the presentation of new cases or new information to complement the picture which this senator from North Carolina has presented to the U.S. Congress about Mexico and Panama."

In an informal, yet determined tone, Delvalle reiterated his country's willingness "to sit down again at the Contadora negotiating table, to seek all necessary solutions for peace, and to end the fruitless loss of human life in the strife-torn Central American region."

Regarding his relationship with the military forces, the president, his face covered with sweat as the result of a 1-hour walk with the interviewer, said that this relationship is "excellent." "I have no complaints to make on the military's intervention in any sector."

The talk with the Panamanian president shed light on the topics and conflicts which, like a waterfall, have begun to stir the Panama of today, a country with slightly more than 2 million people.

[Hernandez] Mr President, what is your opinion about the charges presented by North Carolina legislator Helms against important political and military figures?

[Delvalle] The antecedents of Senator Helms' current stance regarding Panama go back to the time of the treaties, when not very favorable remarks used to be made against the United States' handing over of the canal to our country. Our relationship with Helms began at this point. Someone has said that Helms acts like this because he has some sort of contract here in the canal zone, which he would lose with the fulfillment of the Torrijos-Carter Treaties, signed in 1977.

In addition, we understand that Mr Helms is running for reelection. He is apparently trying to get publicity by keeping himself at the center of the people's attention. This is why, among other things, he has initiated this campaign against Mexican and Panamanian officials about matters such as drug trafficking . In our case, we see his activities as another attempt to derail the fulfillment of the Torrijos-Carter Treaties.

In the case of Mexico, we feel he is trying to have one of his friends appointed ambassador. It has been the custom to exert pressure from the subcommittee chairmanship for the appointment of several ambassadors to Latin America. They have been successful in this several times. These ambassadors belong to the "Helms clan." That is why I have no doubt that this is one of his purposes.

In addition, Helms wishes to keep, from now to November, when the elections are held, a leading role whether through new cases or "new information" about Panama or Mexico.

[Hernandez] Is this Helms-directed campaign part of the attempts to boycott the peacemaking efforts of the Contadora Group?

[Delvalle] I think so. He is one of those who thinks that the U.S. Government should opt for an invasion of Nicaragua. He is one of those who thinks that the contra aid is necessary and suitable. Undoubtedly, Mr Helms has the mentality of another era. I believe with this campaign, he is showing that he is against all Contadora member-states. In the last Contadora meeting here in Panama, the Contadora member-states drafted a document -- which has not been accepted -- that would, to some extent, reduce the differences that exist between the Central American countries and Nicaragua.

It is a document that was carefully drafted after much study, and we think that it truly takes into account the fears of both sides. The document is under study, and last week the four Contadora foreign ministers went to Washington and New York to deliver it to the OAS and the United Nations. I think that the work is nearly completed. What has been maintained is the spirit of Contadora. If the Central American countries and Nicaragua believe there is something else we can do to unite their position, either through a new round of negotiations, or efforts, we will do so.

[Hernandez] Panama, you reiterated, is willing to seek all the necessary solutions to achieve peace and to end the useless loss of life in Central America. In this regard, as the U.S. press presented it, Helms used the affairs of Gen Noriega, chief of the Panamanian Defense Forces, as an argument to cast doubts on Panamanian democracy. Noriega is accused of being a double agent who supplies information to Cuba, Nicaragua, and the United States without distinction. Do you believe the Noriega case is part of the efforts made by Senator Helms?

[Delvalle] That is a case that has been fostered by members of the Panamanian opposition groups. Those Panamanians were exiled during the Torrijos era. However, it seems that they have not realized that General Torrijos is dead. Now they wish to begin a struggle against the Defense Forces, and especially against Gen Noriega, who is the chief of that institution. Senator Helms promoted those attacks. This movement magnifies what we have here in Panama: innumerable statements made by U.S. officials -- and I mean officials of the U.S. State Department and the Pentagon -- praising the Defense Forces for their help in controlling the drug traffic. Thus, Senator Helms is contradicted by all this, even though he continues to repeat over and over, in the U.S. Capitol's hallways, the charge that Gen Noriega was the "capo" of a large mafia group which distributed drugs.

[Hernandez] Did Senator Helms' position achieve its purposes? Have his statements affected relations between your country and the United States?

[Delvalle] Here in Panama there is a group of people who definitely hold all this against the U.S. people. A while ago, I said I am sure this is not a provocation, and has nothing to do with official sources of the U.S. Government. I think that this is the product and the invention of Mr Helms' mind. Internally, his statements have caused several reactions: The first one is that Panamanians have again waved the flag of unity, because if there is one thing that brings us together, it is the canal, which we want to be turned over to Panamanian hands in 2000, if not sooner. The other reaction is that indeed, those statements have caused a bigger political division between the government and the opposition groups, which became the promoters of the campaign against Gen Noriega, and against Panama. We have always had a difficult relationship with the United States, which stemmed from our demands to recover the canal zone, but despite all this, my government clears the United States of any participation in this campaign.

[Hernandez] Giving your words the specific weight of the Panamanian presidency, what message would you send to Senator Helms?

[Delvalle] I would say that a U.S. senator, particularly one with the years of service he has, and the position he occupies, chairman of his country's subcommittee on foreign affairs, should have more judgment, more good sense, when making statements about important people of friendship countries. Such statements could turn on him. Rest assured that at this moment, Mexico and Panama share a certain bitterness, a certain unpleasantness toward the United States. Our Latin American brothers, even though they are not involved, surely must think: When will it be our turn and why? For example, in Peru something could suddenly be unleashed if President Alan Garcia were to suggest a meeting of presidents to discuss the issue of the foreign debt. The question is: will Senator Helms intervene again? Up to now, all that he has done is create animosity and an anti-American feeling against his country. I am sure that this is not what the U.S. Government wants or is looking for.

[Hernandez] Mr President, do you foresee additional pressures? I am asking this in view of the negotiations regarding the foreign debt, and other matters related to financial issues, like the banking sector. Do you feel that more pressure will be exerted by the U.S. Administration in the coming months or years?

[Delvalle] I am going to be very frank. As far as the Canal is concerned, President Ronald Reagan was one of the main opponents of the Canal [treaties]. President Reagan, who was at that time governor of California, was on a trip to the Far East when he said that he did not agree with the outcome of the vote, which authorized President Carter to sign the treaties with Panama. The comments President Reagan made to members of the press at that time who were familiar with his position were that this was the law of the land and he would respect it. Never again after that meeting has President Reagan made another statement concerning the return, or not, of the Canal to Panama. He is keeping his word, he is respecting the law of the land. Therefore, we do not foresee that.

Now, regarding our participation in Contadora, I have talked with the two U.S. ambassadors to the Central America area, Harry Shlaudeman and Philip Habib, and in neither case has there been any type of pressure regarding the way our country participates in the Contadora process.

The United States has been very cautious, and let us be frank, very exact in their choice of words. All very restrained, but they express their position and respect for our position. They have agreed with Panama on Contadora, but on other aspects we have differed. However, they understand that it is we who are making the effort, and Panama has followed the course as long as it believed that that is what it should do. It is practically impossible for the U.S. position to fully coincide with the position of the Contradora member countries, but we Latin Americans are the ones who have been concerned over our brothers. We are the ones who believe we can understand each other and seek a solution.

[Hernandez] Mr President, Panama is in one way or another a crossroad of many realities. I am thinking, for example, of gun-running, of drug trafficking, and the financial business derived from them, for example, the banking secrecy. Could you offer a realistic insight of Panama as this kind of crossroad?

[Delvalle] Panama, because of its geographic position, because of its maritime canal, continues to be, as it was in the past, a great convergence point of voyages from north, south, east, and west. It is obvious that "transshipment operations" can be carried out in Panama. Mind you, this has become very risky. However, I repeat, we have DEA letters saying how great the collaboration of the Panamanian Defense Forces in drug control has been.

As far as a banking center and money laundering goes, there is no law in Panama to protect the secrecy of bank accounts. What Panama has are laws that make the secrecy of bank accounts appear as if there were such laws, but specifically there is no law on the secrecy of bank accounts. What is allowed here is numbered accounts, as exist in many parts of the world. This has been used by the United States to ask for investigations on the origin of many accounts. We have definitely refused such requests.

But apart from this, the first thing we would have to do is to identify the problem: is money laundering taking place? How is it being done? Through cash? Through the transfer of cash?

We have for some years established strict control on the amount of cash deposited in each bank. There is a file on every bank in Panama. A limit has been set for each bank, which is verified every month, because it has to go through the clearing house. Through this system we have obtained better control. Panama definitely does not want a bad name, nor does it want to launder money. Then, let us specify the problem, to know what we are talking about. The measure we have established has reduced the laundering that takes place anywhere. Besides, the money that comes from the United States is already laundered when it comes to Panama through various enterprises and mechanisms.

[Hernandez] How would you define the relations between the Defense Forces and the Executive Branch?

[Delvalle] They are excellent. As you very well know, in 1968 we had a military coup led by General Torrijos. I would say that the agreements reached by Torrijos with the Carter administration were part of the effort to restore democracy in Panama. Thus after 16 years of military government, he (Gen Torrijos) began the process.

Another significant moment came with the case of Ardito Barletta, elected to the presidency in 1984 and deposed in 1985. I want you to know that this took place after 11 months of frustration, 11 months in which the economy was stagnant and the entire country was in a permanent state of depression. Here everything was in crisis.

Part of these [crises] were invented by Ardito Barletta in an attempt to get approval of tax legislation. Other crises were created in the industrial and labor sectors to strengthen our commitment to the IMF.

This situation made him begin to lose credibility among the groups closest to him. He had been a banker and economic planning minister. The business and agricultural sectors began to protest. The labor sector, with which there never was an understanding, also did its part. Then, the process of credibility began to deteriorate to the extreme, what he was doing was ridiculous.

He left for the United Nations and when he returned, the members of the National Assembly who had supported him told him that they were no longer going to support him anymore and that for the good of the country he should resign. Then the famous 14-hour meeting took place in which he offered to make some amendments. But the National Assembly official wing refused.

[Hernandez] What about the military's participation in this movement?

[Delvalle] What happened was that the military were receptive to the complaints of the legislators and when he arrived at Torrijos Airport, the military told him that they wanted to talk to him to discuss some serious problems. He answered: Yes, but I am going home to drop off my wife and then I will be there. This talk, which could have been held in his home, at the Presidency, or anywhere else, was held at the Defense Forces Headquarters. Unfortunately, that is how it was...this was the notice of his ousting ordered by the military.

From there he went to the Presidency in his own vehicle. He called a televised meeting of his Cabinet and told the nation that in view of the difficulties and differences he had with the political groups which took him to power and the Defense Forces, he had decided to remove himself from his post. That is the story. I have nothing to complain about them (the military) not in any way.

[Hernandez] What would you say about those versions which say that the military boots rule that country, or that Gen Noriega is the strongman?

[Delvalle] Let us be frank. I realize that it is unusual in a Latin American country for a president who does not have support in Congress to give up just like that. It is also unusual for a president to leave in his own vehicle from the military headquarters and then resign. But that is what happened. The image it caused was bad, no doubt about that, and it will take a long time for it to clear up. But I repeat: the participation of the military takes place only when I ask them for help to define positions. They can help me more than the civilians.

ATTORNEY GENERAL CONFIRMS REPORTER'S ASYLUM REQUEST

PA110431 Panama City Televisora Nacional in Spanish 0000 GMT 11 Jul 86

[Text] Despite contradictory reports on the whereabouts of reporter Guillermo Sanchez Borbon, directors from the newspaper LA PRENSA reported that Sanchez Borbon has taken asylum in the Venezuelan Embassy. However, Tibisay Urdaneta, counselor minister of the Venezuelan Embassy, denied that Sanchez Borbon, or any other person, has taken asylum in the diplomatic mission. However, ACAN-EFE released a dispatch dated in this capital reporting that columnist Guillermo Sanchez Borgon took asylum last night in the Venezuelan Embassy. Late this afternoon, Attorney General Carlos Villalaz made the following statement when questioned:

[Begin recording] The Attorney General's Office learned this afternoon by telephone that Sanchez Borgon requested political asylum at the Venezuelan Embassy. I want to make it clear that in the case of Sanchez Borbon there is no place for political asylum, inasmuch as he was summoned to the district attorney's office according to an ordinary legal procedure of the Panamanian laws. He was not summoned for a political offense, but to answer charges that fall under the republic of Panama's ordinary jurisdiction.

Abadia Denies Persecution

PA121444 Panama City Circuito RPC Television in Spanish 1730 GMT 11 Jul 86

[Interview with Foreign Minister Jorge Abadia Arias by unidentified reporter; date and place not given -- recorded]

[Text] [Abadia] We received a note yesterday from the honorable Venezuelan Embassy in Panama, stating that Mr Sanchez Borbon requested asylum at the Venezuelan Embassy. In his note, the ambassador states that, although there is no juridical definition of what an asylum seeker is yet, and in keeping with a common tradition, they offered him protection inside the embassy. According to the note sent to us by the ambassador, Mr Sanchez Borgon claims that his life is being threatened, and therefore the Venezuelan Embassy is offering him protection.

[Reporter] What has happened since the official communique from the Venezuelan Embassy in Panama regarding Mr Sanchez Borbon's presence there?

[Abadia] Well, after receiving the note, we immediately sent a reply to the Venezuelan Embassy, stating that we are surprised that Mr Sanchez Borbon requested political asylum, because he is in no way being persecuted, nor has his life been threatened. There is not even an arrest order against him. The only thing we said in our note to the ambassador is that Mr Sanchez Borbon can move freely about the national territory. He can even leave the country if he so desires, as long as he fulfills the legal requirements of an indictment at one of our justice tribunals where he is wanted for questioning in a common crime case. Mr Sanchez Borbon is not being politically persecuted in any way.

He harbors fears and concerns; he can rightfully have such concerns, and we respect Mr Sanchez Borbon's feelings and fears, but we are fully convinced that there is no threat against his life from any government source in our country.

Therefore, we sent this note to the Venezuelan Embassy, and with the corresponding authorization from the president of the republic, we met with the attorney general of the nation to facilitate Mr Sanchez Borbon's departure.

Embassy Issues Note

PA131836 Panama City EL SIGLO in Spanish 12 Jul 86 pp 22, 24

[Note sent by the Venezuelan Embassy in Panama to the Panamanian Foreign Ministry, dated in Panama City on 10 July]

[Text] The Venezuelan Embassy presents its best regards to the distinguished Panamanian Foreign Ministry and regards it an honor to inform it that last night Panamanian citizen Guillermo Sanchez Borbon requested political asylum from Venezuela, because he considers that his life is in danger.

Thus, in accordance with the norms established by international public law, the chief of the Venezuelan diplomatic mission granted asylum to journalist Guillermo Sanchez Borbon, until the Venezuelan Government expresses its views in this regard.

The Venezuelan Embassy seizes the opportunity to reiterate its warmest regards to the distinguished Panamanian Foreign Ministry.

Panama, 10 July 1986

To the distinguished Foreign Relations Ministry

Ministry Answers Note

PA131844 Panama City EL SIGLO in Spanish 12 Jul 86 pp 22, 24

[Note sent by the Foreign Ministry to the Venezuelan Embassy in Panama, dated in Panama City on 10 July]

[Text] The Foreign Relations Ministry presents its regards to the distinguished Venezuelan Embassy and has the honor of acknowledging receipt of its kind note p-498, dated 10 July 1986, in regard to the diplomatic asylum requested last night by Panamanian citizen Guillermo Sanchez Borbon.

The Foreign Relations Ministry must inform the distinguished Venezuelan Embassy of its surprise at the content of this kind note, because there is no persecution or threat against the aforementioned Mr Sanchez Borbon. He can freely move in and out the national territory, as the Constitution of the Republic of Panama establishes, and guarantees. He is only subject to the matters that are being discussed in the ordinary courts of justice. In this case, it seems that we are dealing with a personal or political action for publicity purposes, in which the Panamanian Government will not participate. However, we leave it up to the discretion of the distinguished Venezuelan Government, to make the final decision on this case.

The Foreign Ministry seizes the opportunity to reiterate to the distinguished Venezuelan Embassy the expression of its warmest regards.

Panama, 10 July 1986

To the distinguished Venezuelan Embassy

Abadia: No Safe-Conduct

PA121452 Panama City Televisora Nacional in Spanish 0000 GMT 12 Jul 86

[Text] Foreign Minister Jorge Abadia Arias said today that the case of reporter Guillermo Sanchez Borbon, who took asylum in the Venezuelan Embassy, seems more like a personal rather than political decision, carried out for propaganda purposes, and the Panamanian Government cannot approve this.

[Begin Abadia recording] We cannot issue a safe-conduct in his favor, because he is not entitled to political asylum. The only way the Foreign Ministry will issue a safe-conduct is if a person is entitled to political asylum, and Sanchez Borbon does not come under that category. His status does not conform to the legal aspects of a person seeking political asylum. Sanchez Borbon is under the protection of the Venezuelan Embassy. At this moment the Foreign Ministry is trying to make arrangements for his departure from the country, since that is what he wants to do. Meanwhile, we are trying to reach some sort of agreement, inasmuch as we cannot make decisions for the Judicial Branch. The attorney general has been trying to clarify the legal aspect of the problem so that political incidents are not used as pretext to evade Panamanian justice. [end recoording]

Departs for Venezuela

PA132350 Panama City ACAN in Spanish 2300 GMT 13 Jul 86

[Excerpts] Panama City, 13 Jul (ACAN-EFE) -- Guillermo Sanchez Borbon, columnist of the opposition newspaper LA PRENSA, who took asylum last Wednesday in the Venezuelan Embassy in this capital, left today for Caracas under special security measures. Sanchez Borbon, 59 years old, arrived at the airport accompanied by Enrique Peinado Barrios, Venezuelan ambassador to Panama, and went directly to board the plane without talking to waiting reporters.

Sanchez Borbon took asylum in the Venezuelan diplomatic mission a few hours before he was to have appeared at the district attorney's office for questioning regarding a slander suit lodged against him by another reporter.

Carlos Nunez, a reporter for the progovernment newspaper CRITICA, accused Sanchez Borbon of saying that Nunez had insulted the memory of the former Panamanian guerrilla Hugo Spadafora, who was beheaded in September 1985 under circumstances that have not been made clear yet. [passage omitted]

Carlos Cuestas, Sanchez Borbon's attorney, said yesterday at the airport that the Venezuelan Government did not grant an asylum petition requested by Sanchez Borbon's family and instead had issued him a special visa, in the guest category, and had paid his fare to Caracas.

A judge in Panama City agreed to grant Sanchez Borbon a permit to leave the country for 2 months, allowing him to go to Venezuela, where Sanchez Borbon has a sister.

FINANCE MINISTRY TO AUDIT CANAL COMMISSION

PA111854 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Jul 86 pp A-1, C-14

[By Edmundo Dante Dolphy]

[Text] Since the Panama Canal Commission is a taxpayer to the national treasury, the Finance Ministry, using its legal powers, will send its auditors to the commission to perform the customary audit examinations this ministry carries out.

According to information in the Finance Ministry bulletin EL HACIENDISTA, this measure is the result of the Panama Canal Commission owing 54 million balboas, without interest, becoming the biggest debtor of the National Treasury." [quotation marks as published]

EL HACIENDISTA reports, through the Finance and Treasury Minister, that the Panama Canal Commission has been deducting an annual sum of approximately 8.6 million balboas for services provided to several state organizations. Article XIII, Paragraph "C" of the Panama Canal Treaty establishes the following:

"An annual amount of up to 10 million United States dollars ($10,000,000) per year, to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission including amounts paid pursuant to this Treaty. In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed upon."

The Finance Minister believes that this article has not been complied with because "almost 7 years after the Panama Canal Treaties went into force, the Republic of Panama has not received the complete annual payment from the United States, as established in the aforementioned article."

Moreover, the ministry has also reported that the Panama Canal Commission is deducting from the sums that should be received by the national treasury monies for services provided to several state organizations, a monthly sum of approximately 717,000 balboas, that is, approximately 8.6 million balboas yearly.

Because of the preceding, Finance Minister Dr Hector Alexander has noted that since the Panama Canal Commission owes the Republic of Panama more than 54 million balboas as of this date, the deductions made for services provided to several state institutions should be made from the 54 million balboas, without interest, owed to Panama.

Regarding the audit of the Panama Canal Commission by officials from the Finance Ministry, this is based on the Fiscal Code, Article 1 of which reads:

"The public treasury comes from the collection of public property, public revenues, taxes, stock, and services pertinent to the state."

The national treasury comes from the monies received by the state, especially from the following: national public property, national services, public revenues, and taxes.

Therefore, the Finance Ministry, using its legal powers, has the intention of sending its auditors to the Panama Canal Commission.

U.S. Opposes Audit

PA111725 Panama City MATUTINO in Spanish 11 Jul 86 pp 1, 8 A

[Text] The five U.S. members who participated in the meeting of the Canal board of directors flatly opposed a Panamanian proposal to permit Finance and Treasury Ministry advisers to audit and analyze the accounting books of the Canal Commission. They argued that the Canal Commission is under the U.S. Government and to permit such a step would violate U.S. sovereignty.

This attitude has surprised the Panamanian members who found no reason for it because as members of the Board of Directors, they have access to the accounting books to analyze all the information related to the operation, management, and administration of the canal so as to check not only the revenues and expenditures, but also the surpluses.

In view of this attitude by the U.S. members, bankers, businessmen, and observers who closely follow Panama's development as an international banking center have said that such an attitude is contradictory if one compares it to the proposal of a U.S. delegation that recently resumed -- at Panama's invitation -- the talks to view the problems involving the possibility of a mutual cooperation treaty to stop financial operations stemming from drug trafficking.

It has been learned that in those meetings, the United States requested that it be granted access to information on the bank accounts and clients of the system.

Our sources indicate that such a request does not agree with the other attitude because when Panama needs accounting information to verify the administrative progress in a joint enterprise, the United States claims that this would violate its sovereignty and at the same time it not only demands, but exerts, pressure to obtain information that "cannot be granted" from every legal viewpoint and from the standpoint of sovereignty.

As is known, Panama maintains that it will protect and will not harm banking secrecy and on the contrary, that it seeks to strengthen it.

These talks have united the banking and business community, press circles, and even opposition politicians, who are demanding that the government maintain a firm and unwavering position so that banking secrecy and our sovereignty will not be harmed in any way.

RIOT POLICE DISPERSE STUDENT DEMONSTRATION

PA121607 Panama City EXTRA in Spanish 12 Jul 86 pp 1, 2

[By Marcelino Rodriguez B.]

[Text] Yesterday the "Dobermans" of the Defense Forces used at least 50 tear gas bombs to disperse the university students protesting in the streets surrounding the University of Panama the judicial persecution of Professor Miguel Antonio Bernal.

The incidents occurred in the afternoon hours when groups of students from FER-29 [Revolutionary Students Front], Accion, Guaycucho, other groups, and from the Law School occupied the streets, which forced the intervention of the patrols with forces from the riot police squad known as the "Dobermans." The students carried posters which read "Freedom for Bernal, Noriega drug addict." The soldiers beat the students, destroyed three vehicles belonging to professors, and seized some cameras.

"Dobermans" posted on the Transisthmian Highway and the Tumba Muerto overpass beat the students participating in the demonstrations with clubs.

The protests started in this city last Wednesday when Professor Miguel Antonio Bernal was arrested and taken to El Renacer prison, where he remained until a $5,000 bail was paid. Bernal then sought shelter at the University of Panama.

The "Dobermans" entered the university campus, violating the autonomy of the University, and assaulted and damaged several buildings of this educational institution.

It was reported that the academic vice-rector, Pedro Salazar, "cried" when he saw the university invaded by the gorillas. It was also reported that the University has been closed.

MINISTRY ORDERS 2-DAY CLASS SUSPENSION IN SCHOOL

PA131447 Panama City Televisora Nacional in Spanish 0000 GMT 13 Jul 86

[Text] By order of the Panamanian Ministry of Education, classes at the Melchor Lasso de la Vega Arts and Crafts School will be suspended on Monday, 14 July, and Tuesday, 15 July. The official announcement, which was made through an official communique issued today, indicates that the closing of the arts and crafts school on Monday and Tuesday will facilitate the assessment of yesterday's incidents, during which Via Bolivar was blocked and the area disrupted by general disorder.

COSTA RICA

NARANJO ANNOUNCES 15-PERCENT BUDGET CUT

PA101922 San Jose Radio Reloj in Spanish 1200 GMT 9 Jul 86

[Text] Last night, 8 July in a talk on network television, Finance Minister Fernando Naranjo said that Costa Rica is still far from overcoming its economic crisis. He added that the economic situation improved slightly in 1986 and it is hoped that this trend continues into 1987.

The profound changes needed in the national economy should not be put off any further. It is expected that production will increase approximately 3 percent, according to a brief analysis of the national economy made by the finance minister. He added that the increase in prices decreed a few weeks ago was the lowest of the last few years, and hopefully, they will not increase again. The aim is for inflation not to increase more than 10 percent, taking into account different indexes.

The Central Bank debt hinders the production process. Subsidy policies should be eliminated, because if such a situation continues national production will be hampered, as the credit needed to reactivate the economy would be lacking owing to a loss of 8 billion colones that this issuing entity is suffering.

Policies are need that strengthen credits for peasants, industrialists, farmers, cooperative members, craftsmen, and other sectors.

The Central Bank cannot continue subsidizing exchange rates. The policies adopted by the Central Bank to subsidize the exchange rates should be eliminated, according to Finance Minister Fernando Naranjo. He said that owing to that policy, the Central Bank is in great debt and that Costa Rica has one of the highest foreign debts. He added that to remedy this situation, drastic steps will have to be taken and that the beneficiaries will have to pay in the future.

Finance Minister Fernando Naranjo said that public debt and tax adjustments should cease being obstacles to the development process. He feels that they should be converted into elements that aid in the economic transformation that Costa Rica should carry out in the next few years. He added that each colon spent on public administration should be channeled toward high-priority activities. In this connection he stated that instructions have been given for the budget to be reduced by 15 percent.

ARIAS, HABIB DISCUSS REGIONAL SITUATION

PA111613 Panama City ACAN in Spanish 0250 GMT 11 Jul 86

[Text] San Jose, 10 Jul (ACAN-EFE) -- Philip Habib, U.S. special envoy for Central America, and President Oscar Arias Sanchez today analyzed the political and military situation of the region here. Habib, on his fourth trip to the isthmus since he was appointed special envoy in March, arrived in San Jose today on the first leg of his trip to Central America. Foreign Minister Rodrigo Madrigal Nieto, Presidency Minister Rodrigo Arias, and U.S. Ambassador Lewis Arthur Tambs were also present at the meeting.

Following a 2-hour meeting with President Ronald Reagan's special envoy, President Arias said: "We have had an in-depth talk on how we see the future of the region and the possibility of achieving peace through negotiation and dialogue and not through confrontation."

Arias Sanchez, who described the talks as "very friendly," said that he and Habib had talked about the economic problems faced by Costa Rica and that the U.S. official had promised to support more U.S. financial aid.

Arias also said that he and Habib had discussed distribution of the $300 million approved by the U.S. Congress on 25 June when it also approved the $100 million in military and humanitarian aid to the anti-Sandinist contras. The $300 million is being allotted to Guatemala, El Salvador, Honduras, and Costa Rica. "We spoke of the conditions and when the $300 million will be disbursed," the Costa Rican president added.

The Costa Rican president said that they had discussed the upcoming meetings of the Guatemalan, Salvadoran, Honduran, and Costa Rican foreign ministers. The meetings will begin in the next few weeks and are aimed at concluding discussion of the Contadora Document presented on 6 June. "It was a very friendly meeting during which we agreed on many things," the president added.

The foreign ministers of these four Central American nations will meet in Guatemala on Tuesday to conclude the drafting of observations on Contadora. The ministers will discuss verification and control and the implementation of the agreements. Hibib will travel to El Salvador, the second leg of his Central American tour, where he will meet with Rodolfo Castillo Claramount, Salvadoran foreign minister and vice president.

EL SALVADOR

REBELS SEIZE RADIO STATIONS, AIR MESSAGES

PA111609 Hamburg DPA in Spanish 0154 GMT 11 Jul 86

[Excerpts] San Salvador, 10 Jul (DPA) -- Salvadoran rebels took over two radio stations this afternoon and broadcast antigovernment messages protesting what they called the repression of the country's working classes. The rebels identified themselves as "working militiamen" of the FMLN and forced approximately 21 employees at the radio stations "Radio Cadena 1080" and "Radio Cadena", which operate in the same building, to broadcast two recordings for a period of 10 minutes.

Police authorities arrived minutes later and interrupted the broadcasts. They released the employees, who had been locked up in a room and warned by the guerrillas that if they removed the cassettes a bomb would explode in the booth. This proved false, the police said.

In the broadcast message the FMLN asked "to strengthen the organization and struggle of the people, meaning the ranks, organizations, unions; in other words, to organize the people's militias and counter the repression of the workers' armed struggle." The workers were greeted and told that no repressive actions would go unpunished. The phrase "Yankees, get out of El Salvador" was heard at the end of the message. [Passage omitted]

REBELS BARRICADE AIRPORT ROAD, CLASH WITH ARMY

PA111735 San Salvador EL MUNDO in Spanish 8 Jul 86 p 3

[By Rene Hurtado]

[Excerpts] The government and airline company employees who work at El Salvador International Airport have voiced concern over an armed clash that broke out on 4 July on the Comalapa highway to the international air terminal. On that night FMLN guerrillas erected a roadblock and demanded the so-called "war tax" from the drivers of all passing vehicles.

The workers said: "It was the first time that rebels have taken control of that highway and fired on the motorists who did not obey their signals to stop. This is dangerous for those of us who leave [the airport] between 2000 and 2200, when flights are delayed." They explained that several flights arrive at approximately 2000 every evening, and that although it is admittedly difficult to cancel those flights, then "the least that should be done is to increase security along that highway, particularly at night. An exchange of fire between the rebels and the Army poses danger to airport employees, travelers, and their friends or families." [passage omitted]

On 4 July a group of guerrillas blocked the road for 1 hour, during which they stopped vehicles and collected a "war tax" from their drivers. The guerrillas fired on the motorists who did not stop. No one was wounded. Army personnel arrived at the site, and a clash ensued, forcing many people to turn back toward the airport, and others to take the old road to Zacatecoluca.

The extremists placed the roadblock near the second toll booth, near Olocuilta, in La Paz." [quotation marks as published]

FMLN-FDR PRESENT TERMS FOR PEACE AGREEMENT

PA120244 (Clandestine) Radio Venceremos in Spanish to El Salvador 0047 GMT 12 Jul 86

[Communique from the FMLN General Command and FDR Executive Committee, dated in El Salvador on 10 July 1986; read by Commander Joaquin Villalobos -- live or recorded]

[Text] Political Offer to the Country's Various Social Sectors Seeking a Solution to the Conflict

Salvadoran society is a victim of the prolonged economic, political, and social crisis which has worsened during these 6 years of war. Engineer Duarte's government arose in 1984 as an alternative and a solution to the national crisis, but the 2-year administration has led only to a bigger war, greater surrender of our national sovereignty to the Reagan administration's interests, higher inflation, more taxes, more unemployment and poverty, increased loss of life, and much more destruction.

The facts have proved that the Christian Democratic government cannot solve the crisis. The organizations which comprise the FDR-FMLN have struggled for many years to attain a solution to this crisis, combining political and military efforts. For the last 5 years we have insisted on the need for a political solution to the conflict. We have proved that despite the increased U.S. military involvement in El Salvador, the FMLN cannot be militarily defeated.

The dialogue we began with the government at La Palma was suspended by the government unilaterally, and the renewal of this dialogue seems to be more of a response to the regime's need to somehow recover its deteriorated political image than a serious effort aimed at attaining a negotiated political solution to the conflict.

In addition, it is evident that a process to reorganize all the country's social forces needs and is marked by the search for solutions to the current national crisis. It is increasingly evident that if the national conflict is not resolved, it will not be possible to effect a recovery. Consequently, various sectors seek an alternative which allows them to make the necessary contributions to the country's reconstruction. The FMLN-FDR are aware of this situation, and we have ascertained a consensus among the Salvadorans which might be the basis for attaining peace with dignity for all Salvadorans. We have also ascertained the development of an increasing willingness among the Salvadorans to solve the national crisis for their own sake and with the intention of really beginning to be owners of what has always been ours: El Salvador.

Based on these considerations, the FDR-FMLN present the following political proposal to all the country. We have kept in mind, while drafting it, the various opinions and hopes which all the political and social sectors have shared with us in recent months. We have also taken in consideration our analysis of the national problems. Above all, we want to defend the interests of all the Salvadoran people. We do not claim to be absolutely accurate. Quite the contrary. On this occasion we present our proposals and we hope this leads to a great national dialogue. Our proposal is responsible and flexible. It is responsible because the contents of our proposals include our fronts' firm decision to fulfill them, to subscribe to whatever solutions are attained through the national dialogue. It is flexible because we do not think that our proposal is the final word of the FDR-FMLN. Instead, it represents our contribution to the discussions for attaining a national consensus that must state the pluralism of opinions and positions which characterize our society.

Consequently, several of our proposals are not fully developed because we believe that a sincere and open negotiation will eventually attain such development. Our experience from the last 2 years proves that even though the dialogue between the government and our fronts represents the generalized hope of our population, it is extremely precarious because the government has interrupted it for over 18 months. We are still convinced of the need to hold a dialogue among the parties involved in the conflict, but we are also aware of the limitations and deficiencies of such a dialogue. Thus, ever since the first meeting was held at La Palma, the FDR-FMLN discussed the need to include all the national sectors in the process to attain a political solution.

Upon addressing this statement to all the political and social forces in the country, particularly our fronts, we seek to take another step toward the construction of a national dialogue which becomes the mechanism necessary to lead the country into a new phase of reconstruction and economic, social, and political process. If the country's future belongs to all of us, we must all contribute to achieving a political solution.

Declaration

The FDR-FMLN state the following to the Salvadoran people and the world:

1. We are willing to participate in a national dialogue with all the forces and sectors interested in a political, patriotic, and democratic solution to the conflict in our country, in order to attain the peace with justice and dignity which our people hope for.

2. We pledge to hold a dialogue with all sectors, without social, political, or ideological distinctions, including civilians and military forces, which are really interested in preparing a draft political solution and struggling so that it becomes a reality.

Bases for the Pledge

1. A solution among Salvadorans -- The solution must be sought and agreed upon among. Salvadorans. The solution must fully recover our national sovereignty and independence This is the only way that the Salvadoran people may ensure the possibility of exerting their right to self-determination and to exercise democracy to choose their own destiny. This specificially means that the U.S. Government will stop meddling in our national conflict and cease its military and political participation in the same. The political solution must ensure the nonalignment of our nation. In other words, the nonparticipation in a military alliance with other parties or military blocs, or in a specific political alignment with other countries or powers, except when it concerns world peace, disarmament, and unity for the defense of joint Latin American interests.

2. A broad and pluralist government -- The political solution must be the result of a pluralist participation and collaboration in the struggle to attain this. The regime which emerges from this solution must guarantee the said ideological and political pluralism. In order to safeguard and ensure that the terms of this political solution are fully implemented, the government must be reorganized to include representatives of all the sectors, through the parties, organizations, individuals, and other forms of representation. Those who do not wish to attain a political solution will exclude themselves. These sectors advocate a political solution but also sympathize with and support the United States' ideological influence. We respect that right, as the other sectors' right to support their own ideology and democratically struggle for said ideology should be respected. The broad participation of all the government sectors would guarantee that the dialogue agreement for a solution to our national crisis will be respected.

The FDR-FMLN would be part of the government. The government would be provisional, and it would fulfill the basic tasks outlined in the definition of a political solution. This includes organizing free and honest general elections, so that the people may decide what road will be taken and who will exert power. We hope to exercise powers. This is a legitimate hope and we struggle to attain this. Under conditions of a fair policy and once the conditions for honest and free elections are met, we would participate in said elections. This would be the way of establishing an alternative that was violated by the dictatorships and caused a just and legitimate revolutionary war, which would undoubtedly continue if the U.S. Government precludes a political solution. The government chosen in these elections must adopt firm and strict measures to end corruption and begin a process to purge the administrative sector, particularly at the highest level.

3. A cease-fire once the government is reorganized -- a cease-fire must be declared in order to ensure that the government adopts the measures outlined in the political solution. The FDR-FMLN pledge to agree on a cease-fire once the government is installed and will contribute to creating and maintaining the necessary conditions so that the terms of a political solution are implemented. Once the cease-fire is decreed, the FMLN would maintain its army and weapons, and the government's Armed Forces would also remain organized and armed. A negotiated solution to the problem about the existence of two armies would be sought within the framework of the new government. The FMLN pledges to participate in good faith in the negotiation.

4. Beginning of an economically just regime -- The political solution must include social justice and respect for the economic interests of all the sectors which patriotically pledge to seek said solution. Consequently, the new government must enforce the following measures:

A. Abolish the packaged swindle's measures which violate the people's interests.

B. Launch basic reforms which should be approved through a national dialogue, basically in the agrarian, banking,and foreign trade sector. The agrarian reform must solve the land problem in favor of the working majorities and the small and medium-sized farmers.

C. Outline an economic reactivation program which seeks a solution to the unemployment problem and the distribution of wealth.

D. Respect private property and free enterprise rights of all the sectors which pledge to attain a political solution, with the limitations included in the reform program.

E. Develop a mixed economic system which combines, in various ways, the enterprise sector and private property, and the enterprise sector and state-owned property.

5. Democrary and recovery of human rights -- The political solution must: carry out an authentic democratization process and install a regime which preserves and respects human rights, guaranteeing an end to repression and all forms of violations of human rights; effectively annihilate repressive organizations and human rights violators; guarantee the return of displaced people and refugees to their places of origin, guarantee absolute respect for all individual and collective freedoms and democratic rights; create the necessary structural and political conditions to hold free and honest general elections, and organize said elections.

6. Peaceful foreign policy -- The government which emerges from this political solution must ensure a regional policy of peace, nonintervention, self-determination, and independence. It must likewise advocate political solutions to conflicts in the Central American area, support international detente, and sponsor sovereign relations with all the states -- based on each of the states' social interests. It must advocate friendly relations of mutual collaboration with the United States, based on equal rights and mutual respect for sovereignty and independence.

Upon preparing this declaration, we are encouraged by a high sense of responsibility toward the people and the nation, assuming our responsibility in the promotion of a fruitful national dialogue. We offer this contribution to solve the above-mentioned problems so that it might serve as the basis for discussing and building the political solution which would allow us to overcome the deep national crisis. We are sure that this will be possible with the contribution of all the sectors who pledge to attain a just, democratic, and independent peace.

We reassert our willingness to attain peace and our confidence in the people's capacity to struggle, as proved throughout the war. We also state our firm decision to continue the struggle in case the U.S. Administration boycotts the political solution which is sought by our people and front.

El Salvador, 10 July, 1986

FDR Executive Committee; FMLN General Command.

DUARTE INVITES SHAFIK HANDAL TO DIALOGUE

PA122030 San Salvador Radio Cadena YSU in Spanish 1800 GMT 12 Jul 86

[Text] President Jose Napoleon Duarte today invited guerrilla commander Joaquin Villalobos to talk face-to-face. At the same time, he asked Shafik Handal, secretary general of the Communist Party of El Salvador, not to let Villalobos manipulate him. The Salvadoran president addressed more than 10,000 people at the San Francisco Gotera Stadium this morning. He again urged the rebels to rectify their attitude and to reincorporate themselves to the democratic process. The president said that the only way to overcome the Salvadoran crisis is by taking the path of peace, and thus reiterated his willingness to hold a third dialogue.

Duarte, whose speech was transmitted by a local radio station in San Miguel, appealed on several occasions to the guerrilla to hear the clamor of people who are thirsty for peace. Duarte said that Shafik Handal and Villalobos are wrong, adding that therefore the government can develop a national plan entitled United For Reconstruction.

If Joaquin Villalobos insists that he does not want to talk, I invite Shafik Handal to come forward to talk. He understands the meaning of the term peaceful coexistence. He understands, because for many years he has tried to find a solution through democracy. I invite Shafik to come and talk with me about the peace of our homeland, the Salvadoran president said. Here is part of his statement:

[Begin Duarte recording] Dear friends: I believe it is clear then that we must define ourselves. Therefore, I am going to ask you to raise your hands if you agree with me. Do you agree with me that peace must be based on democracy? [crowd shouts: "Yes"] Louder please! [crowd shouts: "Yes"] Now, all of you raise your hands, so that the television cameras can film you. Where are the cameramen? Come this way so that the whole country can see the thousands of people who are here raising their hands saying that peace must be based on democracy, that peace must not be based on dictatorship or Marxist totalitarianism, and that Villalobos and Shafik Handal are wrong, that the guerrillas are wrong, and that the only solution is to understand what the Salvadoran people want. Let us all raise our hands so that those who are in the mountains, so that the whole country can see what the people's will is. Over there in the back too, as there are others who are in the back also, there are many people in the back too. Let's see, how do we stand? Do you agree with me? All of you raise your hands if you agree with me. Thank you, dear friends.

I think that if we have a clear understanding of our position, if we know what we want, we can all work together, because this national plan, this plan entitled United for Reconstruction is based on the job that the Armed Forces, the government and the people together must do in order to achieve our objectives for peace.

I am going to participate in the dialogue. I am willing to talk, and if Villalobos insists on refusing to talk, I invite Shafik Handal to come and talk. He understands the meaning of peaceful coexistence. He understands, because for many years he has been trying to find a solution through democracy. I invite Shafik Handal to come and talk with me even without Villalobos' approval: I invite him to discuss the peace of our homeland. I ask Shafik Handal not to let Villalobos manipulate him, not to let Villalobos manipulate him [repeats himself] and to come over to talk, because the Salvadoran people will give him the necessary space to act.

We will give legal status to any political party [words indistinct] organize to exercise his rights. However, what the people will not accept is that they continue to be up in arms, that they continue killing people, destroying, or forcing the poor and humble people to leave the mountains and go to the towns where they must live from charity, and not from their own work, as all Salvadorans want.

Salvadorans: Let us then open our arms with warmth, with unity, to ask God Almighty to give all Salvadorans understanding, tolerance, and patience. Let us look up and pray to God Almighty today, asking Him to bless not only those of us who are pleading for peace, but also those who are in the mountains, so that they may be enlightened and decide to lay down their rifles and come to live with us. [end recording]

DUARTE VIEWS REBEL DIALOGUE, NICARAGUA

DW0911O1 Bonn DIE WELT in German 9 Jul 86 p 5

[Interview with President Jose Napoleon Duarte by unidentified reporter in the presidential palace; date not given]

[Text] The renovated presidential palace is peaceful. The garden is in bloom. A fountain ripples. Birds sing, butterflies fly through the mild morning air. "A nice day," says the young lady in the reception room. "One can like it here," she says and adds after a short pause, "Unfortunately, Duarte must still deal with old problems." Jose Napoleon Duarte welcomes us in his working room on the second floor. Popular as always he makes "abrazos" (embracing his visitors). His strong-featured mestizo face shows the strain of his work. The president wears an old gray suit. The dialogue with the FMLN is at present the main issue of political discussion in El Salvador.

WELT: Mr President, what are the chances of a dialogue?

Duarte: I am not too optimistic. First we want to find out whether they (the rebels) are interested in serious talks or only in a new propaganda maneuver. As you know the second dialogue (late 1984) was a failure because the FMLN's demands were too great, such as power-sharing. Honestly speaking, I expect humanization of the war at best. That is my only hope at the moment.

WELT: When and where will there be negotiations? Will you take part personally?

Duarte: The time and the place are not yet known. Maybe we will meet this month. If not, we will meet in August. My participation depends on the level on which the dialogue takes place. If we negotiate at the highest level (as in the first dialogue) in La Palma, I will participate.

WELT: Why do you continue the dialogue if you expect so little to come of it?

Duarte: Democracy is a permanent dialogue. You must also talk to your enemies. We have nothing to lose.

Duarte explains that he wanted the third round of negotiations to take place last year but that the guerrillas had spoiled the plans: "The Zona Rosa massacre, the kidnapping of Ines," he said. In June 1985 a terrorist group murdered 13 nightclub guests in Zona Rosa, the capital's amusement area, among them 4 U.S. Marines. In September the president's oldest daughter Ines, was kidnapped by the rebels, which was a 44-day ordeal for the president.

"Only in April could I ask Archbishop Arturo Rivera y Damas to mediate again," Duarte said. To the question whether the military, after the spectacular attack against the barracks in the provincial capital of San Miguel in late June -- some 50 soldiers were killed -- had no objection to a third dialogue, Duarte said: "Not at all. The Armed Forces back this democracy. They want to strengthen and consolidate it. They know that they will profit from the democratic process. My relations with the Armed Forces are better than ever. We maintain constant communications. Every morning at 0800 I meet the defense minister (General Carlos Eugenio Vides Casanova) and other important officers."

WELT: Does the San Miguel incident show that the FMLN troops have become stronger again?

Duarte: Nothing has changed about the military situation. We have had the initiative for 2 years. There is no possibility that the Marxists can win. In 1980 there were still 15,000 guerrillas. Today there are only 5,000-6,000. In the last 2 years, 4,700 partisans have come to us, many of them with their rifles. We pay 1,000 colones ($200) for every weapon. It pays off.

WELT: Can the Armed Forces get the situation fully under control in the near future?

Duarte: It will not be easy. The FMLN has returned to terrorism. You know how hard it is to get terrorism under control. The FRG has some experience in that field. I would just remind you of the bomb attack in West Berlin.

The Christian Democratic president of El Salvador believes that the Central American conflict is concentrating again on Nicaragua, the starting point of the regional crisis.

WELT: How did the summit meeting work in late May in Esquipulas, the provincial capital in Guatemala, when, after a discussion of 10 hours behind closed doors, only a meager communique was published?

Duarte: For me the meeting was highly interesting, because we learned more about Ortega's way of thinking. It was instructive and depressing at the same time.

WELT: One against four?

Duarte: No, Vinicio Cerezo (the president of Guatemala) maintained restraint as the host. However, he thought more or less like Azcona Hoyo, Arias, and myself.

Jose Azcona Hoyo and Oscar Arias are the presidents of Honduras and Costa Rica. Duarte asks his secretary to hand him notes of the Esquipulas talk. She hands him a yellow folder.

Duarte: Ortega told us the following at that time: Nicaragua sympathizes with the guerrilla movements of Central America. However, it does not support them otherwise. Only once, during the Carter era, did the Salvadoran rebels receive weapons in small quantities from Nicaragua. The Sandinist revolution does not want to set up a "democracy as in Costa Rica." It aism for "another power structure," "another justice system," and "another freedom." Ortega went on to say: "We will defend our democracy with all means, and we will not accept another democracy. The people of Nicaragua are an armed people." He added: "We have come to power with arms. We can only be ousted with arms."

WELT: Under such circumstances, how do you assess the solution of the Nicaraguan conflict?

Duarte: I believe that the Sandinists underrate the people. The people will decide. The Sandinists have not won the war against Somoza. It was the people. The people rebelled in the late seventies against the Somoza dictatorship.

This Esquipulas summit demonstrated the Contadora problem. The Contadora states said that introducing a democratic situation is one of their main demands. Now we are dealing with two kinds of democracies. We must decide how to define a democracy.

WELT: Will you ever agree with Ortega on that point?

Duarte: I am afraid not.

For the remaining 2 years in office Duarte wants to "ease economic problems, safeguard peace, and stabilize democracy. There is no justice without democracy. There is no peace without democracy. There is no progress without democracy."

CTS BEGINS STRIKE; MOP MEMBERS ARRESTED

PA111531 San Salvador EL MUNDO in Spanish 8 Jul 86 p 1

[Text] The Central Organization of Salvadoran Workers (CTS) today entered a strike of indefinite duration to demand satisfaction of a list of demands presented to the government 7 months ago, it was reported during a news conference today. Meanwhile, it was learned that when the strike began, at approximately 0700, troops of the Zacatecoluca detachment arrested MOP [Public Works Ministry] union members Miguel Angel Martinez, Juan de Dios Solis, and Sarbelio Solis.

So far, the workers of the Health, Public Works, and Agriculture Ministries, and the ISTU [Salvadoran Institute of Tourism] have declared strikes. So have the municipal workers, who are part of the CTS. The municipal workers presented a 26-point lists of demands, including travel expenses, wage increases, consumer protection, and others, last November. CTS leader Luis Leon has stated: "It is not our intention to destabilize the government. We are fighting for our rights. The government, including President Duarte, promised to heed our demands. That is why we will not lift the strike, notwithstanding the fact that security forces are posted at all our workplaces and are arresting us." "They are attempting to intimidate us," he complained.

The labor leader said that a meeting between the union and Culture and Communications Minister Julio Adolfo Rey Prendes was supposed to take place yesterday. However, Mr Prendes "irresponsibly failed to show up at the appointed time, and that is why we declared ourselves on strike." Meanwhile, the National Union of Salvadoran Workers (UNTS) has endorsed the CTS position.

CASTILLO CLARAMOUNT NOTES OBJECTIONS TO CONTADORA

PA100404 Panama City ACAN in Spanish 0058 GMT 10 Jul 86

[Excerpts] San Salvador, 9 Jul (ACAN-EFE) -- It was officially announced today that the Salvadoran Government will not sign the Contadora act so long as the document does not determine the region's military security and the control mechanisms.

During a press conference today, Foreign Minister and Vice President Rodolfo Castillo Claramount announced the government's official response to the peace proposal presented by Contadora on 6 June in Panama, the fourth during the 3 and 1/2 years of peace negotiations. Castillo Claramount said that the Contadora efforts constitute "the best alternative for the establishment and consolidation of peace in Central America outside of the East-West confrontation." [passage omitted] The Salvadoran foreign minister expressed "concern over Nicaragua's hardening, particularly with the expulsion of Bishop Pablo Antonio Vega" on Friday. The minister added: "This stance makes peace negotiations more difficult." He also said: "This is why it is necessary to sit down to a dialogue with Nicaragua and to determine that government's sincerity and willingness for peace in Central America."

After the document was presented, Castillo Claramount formally delivered the Salvadoran Government's official stance to the Central American and Contadora ambassadors. After delivering its latest version of the peace act, the Contadora Group said that the Central American nations should express their views about it. In his message to Contadora, the minister feels that "it would not make historic sense to sign a peace accord that does not embody fundamental aspects such as security and the certainty that these accords will be adhered to."

The document urges the nations to "stop the arms race in all its forms and initiate negotiations for the reduction and control of the current arms inventories and number of men under arms." The text of the document also says: "In addition, El Salvador regards as indispensable an effective system for the verification and control of all commitments, particularly those of a political nature, conceived as the foundation for a lasting, genuine peace."

GUATEMALA

QUINONEZ CONFIRMS SUPPORT FOR CONTADORA

PA121739 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Jul 86

[Passages within quotation marks recorded] [Text] Foreign Minister Mario Quinonez Amezquita said that Guatemala will continue giving its unqualified support to the Contadora Group. He said this the day after El Salvador officially announced that it is not going to sign the Contadora peace plan.

[Quinonez] "We will continue supporting the Contadora Group because we still believe that peace in Central America can only be achieved through Contadora. Contadora definitely needs more time to obtain a consensus on some issues and to finish discussing some aspects on which views are still different."

Foreign Minister Quinonez said there are three basic elements needed to obtain peace:

"By now we should accept the fact that Central America, and this goes especially for our country, can only move forward with three basic elements I consider very important: peace, a lot of democracy, and a lot of development. With these three elements we can move forward. It is our duty, not only moral, but material as well, to seek peace for Central America, and to maintain our neutrality."

Foreign Minister Quinonez Amezquita also referred to the current problems in the negotiations to achieve detente in Central America.

"I must admit there are some difficulties in the negotiations to achieve detente, but this does not mean that we must lose all hope. If we do not have confidence in what we are doing in Guatemala, we are not going to overcome the moral and economic crisis affecting our country."

Foreign Minister Quinonez Amezquita said that the aid approved for the counterrevolutionaries by the U.S. Congress and other factors have contributed to the present situation in Central America.

CA PARLIAMENT ORGANIZING MEETINGS DELAYED

PA120448 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Jul 86

[Text] The meetings of the commission organizing the Central American parliament have been temporarily suspended because Costa Rica still has not appointed its representatives to the commission, Foreign Minister Mario Quinonez reported today.

[Begin recording] This is only a temporary postponement of the organizing commission meetings. Apparently the Costa Rican deputies have not had the opportunity to appoint the three deputies who will represent them at the organizing commission of the Central American parliament. We are going to have to wait for a few days. There is no reason to think that we are not going go ahead with the Central American parliament. When Costa Rica appoints its representatives we will continue with the meetings. [end recording]

GEN GRAMAJO DISCUSSES INSURGENCY IN EL PETEN

PA131450 Panama City ACAN in Spanish 1858 GMT 12 Jul 86

[Text] Guatemala City, 12 Jul (ACAN-EFE) -- The Guatemalan Army is having trouble in its struggle against insurgency in the northern Guatemalan department of El Peten, a military source has admitted to ACAN-EFE. General Hector Gramajo, chief of the Army General Staff, said: "The actions of ideological insurgency in that part of the country are continuous, and although they have been kept under control, it has not been possible to completely neutralize them." Gramajo said: "The remoteness of El Peten Department in the counterinsurgency struggle" is to blame for the problem. He added that in that area, guerrilla actions "are mistaken for drug trafficking and archaeological pillaging."

The military leader said that the Army is not sure whether "crime is more predominant than subversion" in that department, Guatemala's largest. "It is a very complex problem that makes the work of the Army difficult," Gramajo stressed.

A document issued recently by the rebels revealed that the "Rebel Armed Forces" (FAR), with its "Lucio Ramirez," "Rene Ortantes," and "Feliciano Argueta" "war fronts" is active in El Peten, which shares its borders with Belize, to the east, and Mexico, to the northwest. The FAR coordinates its actions against the Army within the Poor People's Guerrilla Army, which has organized its "Marco Antonio Yon Sosa,: "Ho Chi Minh" and "13 November" war fronts in the northern departments of Huehuetenango, El Quiche, and Alta Verapaz.

Granajo said: "Although the number of clashes have decreased over the past several months, the problem of insurgents trying to take power through arms persists."

HONDURAS

AZCONA, HABIB DISCUSS C.A. SITUATION

PA121617 Panama City ACAN in Spanish 0130 GMT 11 Jul 86

[Text] Tegucigalpa, 11 Jul (ACAN-EFE) -- Philip Habib, special U.S. envoy to Central America, and President Jose Azcona met here today to discuss the future of peace in the area and Nicaragua's internal political situation. Habib and Azcona talked about the future of the Contadora Group and the possibility that the other area countries will seek a resolution of Nicaragua's internal political situation. As at other times, the special U.S. envoy arrived at and left the presidential palace in Tegucigalpa without speaking to the press.

It was the Honduran president who referred briefly to the dialogue, which lsted 1 hour and 10 minutes. The president said that it is important for the Central American countries to renew their interest in solving the area's political problems. Azcona denied that he and Habib discussed the U.S. aid for the Nicaraguan counterrevolutionaries.

Regarding the Contadora Group, he said: "No one wants this group to disappear. We appreciate its efforts and those of the Support Group." He hinted that the mediating countries can do no more. He reiterated: "It is important that the Central American countries resume their efforts to resolve the regional conflict."

Azcona said that his government's position regarding the Sandinist regime is "clear. We think a political change in Nicaragua is necessary to guarantee peace in Central America." He also said that the United States has not requested permission for Green Berets to train contras on Honduran territory. "The contras' will have to fight in Nicaragua because Honduras is no land to fight in. Honduras is not at war with any country."

Foreign Minister Carlos Lopez Contreras, Armed Forces Chief General Humberto Regalado Hernandez, and acting U.S. Ambassador Richard Melton also participated in the meeting.

A U.S. Embassy spokesman said he was not sure if Habib would stay in Tegucigalpa tonight or if he would travel to Guatemala.

U.S. Embassy spokesman Arthur Skop said that Habib's visits to Honduras always take place without public statements, a policy established by the U.S. diplomat himself.

AZCONA RELATES CONTRA AID TO DOMESTIC SCENE

PA130421 Paris AFP in Spanish 0012 GMT 13 Jul 86

[Text] Tegucigalpa, 12 Jul (AFP) -- President Jose Azcona Hoyo said today that the U.S. delivery of $100 million to the Nicaraguan contras will make the "war drums" beat louder in Central America. During a ceremony held in San Pedro Sula, 250 km north of the capital, Azcona said that his government will not become involved in the war with Nicaragua, but admitted that the intensification of U.S. aid to the contras could generate some subversive outbreaks in Honduras.

Azcona admitted that the contras are operating in Honduran territory because it is very difficult to watch an 800-km long border. However, he said that "that is not the problem of the Honduran Government, but of the Nicaraguan Governmmt."

Moreover, Azcona advised private Honduran companies to be fair with their workers so that the civil wars stemming from problems of social justice which El Salvador and Nicaragua are experiencing do not take place here.

"If Nicaraguan private enterprise had approved the necessary political and democratic changes, a dictatorship would not now exist which will cost the lives of thousands and thousands of persons," the president remarked.

UN ENVOY RESIGNS OVER FOREIGN POLICY HANDLING

PA111532 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Jul 86

[Text] It has been learned that Roberto Herrera Caceres, Honduran ambassador to the United Nations, has resigned. The ambassador resigned because he disagrees with the way that Foreign Minister Carlos Lopez handles the Honduran foreign policy.

MONTOYA ON U.S. SENATORS' VISIT, BORDER PROBLEMS

PA111651 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 11 Jul 86

[Interview with Carlos Orbin Montoya, president of the National Congress, by Jose Danilo Izaguirre; date and place not given -- recorded]

[Excerpts] [Izaguirre] The president of the National Congress of the republic, Carlos Orbin Montoya, feels that war with Nicaragua is imminent, that the $100 million in aid has served to accelerate that war, and that we are not prepared in any manner -- materially or culturally speaking -- to cope with that war. He says the war drums are being heard along the border. He first refers to the economic situation between the United States and Honduras. [passage omitted]

We understand that a commision of [U.S.] senators is here to investigate when, where, and how the $100 million will be distributed. Have you met with them?

[Montoya] They are part of the delegation that arrived yesterday. I did not meet with them. They met with the vice president [name indistinct]. They are a group from Iowa. Naturally, they are interested in learning (?about the tropics) and in learning about Honduras. We told them: your government's relations with the Nicaraguan counterrevolutionaries is your problem. It is not our problem. [passage omitted]

[Izaguirre] How does Congress feel about this situation, as you are announcing that war with Nicaragua is imminent?

[Montoya] We must remain neutral, and all state organizations should not get involved in the conflict. That problem is the Nicaraguan's problem.

[Izaguirre] Does that mean we should not allow Honduran territory to be used?

[Montoya] Obviously, yes.

[Izaguirre] Honduran territory should not be used for such an action, even though it is said that that the contras are here. When are they going to leave? That is a serious problem, isn't it?

[Montoya] We are all well-aware of that problem. Let us hope that the $100 million will serve to take those people out of the Honduran border area as soon as possible.

[Izaguirre] But what can this government do in order for those people to leave the country?

[Montoya] For humanitarian reasons, there is some tolerance.

[Izaguirre] Is the United States pressuring to accelerate this war?

[Montoya] No, not at all. But they are a fact, and they are there, at the border. And it is obvious that if they are pushed out of Honduras, they will head to a sure death in Nicaragua. The Nicaraguan regime has strengthen itself as a result of the U.S. Government's economic support for the contras. Rather than helping matters, things are getting more tense. The war drums are being heard. [passage omitted]

NICARAGUA

ORTEGA DISCUSSES DEFENSE IN CHINANDEGA

PA131618 Managua Radio Sandino in Spanish 1310 GMT 13 Jul 86

[Text] President Ortega has reiterated the Nicaraguan people's right to fight for their revolution, sovereignty and self-determination. He said: To resolve our health, transportation, education, and production problems, the war against our country must stop, and therefore the Nicaraguan's main task is to struggle for peace.

President Daniel Ortega made this statement yesterday when addressing thousands of Chinandega residents during a "Face the People" meeting.

Ortega said that achieving definitive peace does not depend on Nicaragua, but on the U.S. Government, which persists in its terrorist policy against the revolution, and irresponsibly drags along the governments in the area.

[Begin Ortega recording, in progress] ...of what the people need, of what the people want. people want houses, health, roads, electricity, water, food, clothing. People want peace. However, achieving definitive peace does not depend on us. It is our responsibility to struggle for peace. That is Nicaragua's main task. To struggle for peace. We fight for peace by defending the revolution. That is the [word indistinct]. Our main task right now in out struggle for peace is defending the revolution, and we defend it with weapons. The Nicaraguan people have a right to defend their revolution, their sovereignty, their right to self-determination with weapons. Why do we mention weapons? We mention weapons because those who attack us, those who make war on us do so with weapons. The attackers use weapons, the terrorists and murderers use weapons, so we must reply to those who attack us with weapons in the same way. However, we also defend our revolution, we defend our revolution by respecting international laws. [end recording]

President Ortega warned the Costa Rican, Honduran, and Salvadoran presidents of the consequences of their policy of complicity in U.S. war against Nicaragua. He added that those presidents are playing with fire, because all the Central American peoples -- not just Nicaragua -- will suffer the consequences of a war.

[Begin recording] Nicaragua is a country that has truly and seriously sought a peaceful solution based on the proposals made by the Contadora Group countries and the Lima Group. Nicaragua has said: This is a good proposal. Your proposal is good, and we are willing to find a solution. What has been the reply of some Central American governments who are playing with fire? They have not realized that this is a very explosive situation, and that when the cauldron explodes it will spill over all of Central America, that it will not only affect Nicaragua, that when the caludron explodes the effects will be harmful for all of Central America. Therefore, some Central American leaders are playing with fire, by becoming instruments of the U.S. Government's policy, by collaborating with the U.S. Government's warmongering plans.

An envoy of President Reagan has been going around these days visiting some Central American presidents with dollars in one hand -- because they are being offered $75 million -- and threats on the other hand. Why? So that they will not support the Contadora Group's peaceful efforts. Some Central American presidents are acting this way. They are sabotaging scheduled meetings of Central American foreign ministers. [Words indistinct] a meeting of Central American foreign ministers and vice presidents in Guatemala. But what happens? The U.S. Government offers money, and the U.S. Government also exerts pressure, and some Central American presidents who call themselves democrats lack dignity. They lack dignity and pride. So, what they do it sabotage the process of dialogue of the Central American [word indistinct]. They also oppose the Contadora Group peace process. [end recording]

President Daniel Ortega also stressed that Nicaragua will continue to be firm in its international battle in defense of its revolution.

[Begin recording] After the Court's [International Court of Justice] ruling, well, we have a hard battle ahead, and we will continue fighting. We will also continue defending peace through the process of negotiations, by urging the Central American presidents, particularly the governments of Costa Rica, Honduras, and El Salvador, to act with a certain degree of responsiblity. They should not believe that the United States, with all its power, will be able to attack Nicaragua and keeping the conflict and confrontation within the Nicaraguan borders. They have a great responsibility. In all this escalation of U.S. military actions they have become accomplices of the increase of U.S. actions. They have become accomplices. Under the present circumstances, we have had to take actions. They have become accomplices. Under the present circumstances, we have had to take domestic measures. [1-minute break in reception] a political-ideological confrontation that [words indistinct] from the very moment that newspaper becomes an instrument of the U.S. Government's terrorist and military attacks. What action did we take? Well, the publication of LA PRENSA has been suspended for an indefinite period of time.

Because a hierarch of the Catholic Church also becomes an instrument of that same terrorist policy, we have had to take some measures, as in the case of Bishop Vega. However, the fact that we have had to take action against Bishop Vega, or that we have had to act against LA PRENSA does not mean that we are against freedom of the press, or against religion, or against the newspapers or against the bishops.

There are 10 or 11 bishops in Nicaragua, I believe. We have sanctioned a person who had the status of bishop. Only one has been sanctioned, and there is no persecution here. [Word indistinct] their religious activities, their pastoral duties. No religious persecution has been unleashed in this country. We have simply adopted a measure against someone who committed a crime against the Nicaraguan people.

Under these circumstances, with this level of organization, when we are about 7 days from celebrating the seventh anniversary of the Sandinist revolution, we can be sure that despite the millions, and despite the shipments of weapons, and despite the sending of military advisers, and despite the new funds, weapons, and mercenaries that the United States may send against Nicargua, we are going to celebrate the seventh anniversary of the Sandinist people's revolution. We are going to celebrate the Seventh anniversary of the Sandinist people's revolution, and we will also liberate the 50th and the 100th anniversary, and the Sandinist People's Revolution will last forever and ever! Free fatherland [crowd shouts: "or death!"]. [end recording]

DIPLOMATS SAY 6 MI-17 HELICOPTERS RECEIVED

PA111308 Buenos Aires REUTER in Spanish 0601 GMT 11 Jul 86

[Text] Managua, 11 Jul (REUTER) -- Diplomatic sources disclosed last night that Nicaragua has received six new Soviet helicopters and is further increasing its fleet to face the insurgents financed and equipped by the United States.

They noted that the shipment of Mi-17 helicopters arrived recently and that there are more on the way. A western diplomat said that "the inventory of helicopters is being substantially increased." The Nicaraguan Defense Ministry refused to comment on this report.

The Mi-17 is a transport helicopter with a 25-passenger capacity, and it should improve troop mobility, the sources reported. It is a modernized version of the Mi-8. Nicargua already has at least one dozen of the Mi-8's.

The Sandinist Air Force also has Mi-24 helicopter gunships, which are bigger. However, the exact number it has of these is unknown because the Defense Ministry does not disclose that type of information.

According to press reports that appeared in the United States last month, Pentagon officials said that Nicaragua had already received 10 Mi-8 helicopters in April, thus increasing its inventory to 25.

However, diplomats in Managua said that they believed that the aircraft delivered in April were really the Mi-17 model and noted that according to their information the Sandinist received 8 and not 10 as reported.

The last shipment arrived after the U.S. House of Representatives approved $100 million in aid for the insurgents, who have asked that part of these funds be invested in missiles. The rebels used one missile to down an Mi-8 helicopter in December.

VOA REPORT ON ANGOLAN TROOPS TERMED 'LIES'

PA120254 Managua BARRICADA in Spanish 9 Jul 86 p 3

[Text] In its 5 July transmissions the so-called Voice of America -- which in reality is the official Yankee government station -- broadcast the following "news" to the world:

"Approximately 2,000 troops of the Angolan communist army have arrived in Nicaragua to fight for the Sandinist military dictatorship on the Atlantic coast. Reports indicate that the Angolan troops form part of the military reinforcements that Sandinism has in the region where the anti-Sandinist commandos have intensified the fighting. The arrival of those Angolan troops again confirms the presence of foreign and mercenary forces in Nicaraguan territory where there are also Cuban, Vietnamese, and other foreign troops."

The mere construction of this "news" -- as we will see later -- shows that it is a prefabricated lie. However, its content shows something worse: This type of "report" seeks to create the image of Nicaragua as a dangerous nation and an expansionist threat in Central America. This is exactly what at other times and using similar arguments imperialism has argued with the sole and criminal objective of justifying the armed intervention againist our country.

This maneuver has a macabre precedent: the air attacks against Libya. If Nicaragua is a "threat" to other countries, as the perverse fabrication of the U.S. propaganda claims, why shouldn't a Libya-style "raid" [preceding word in English] be justified? Has imperialism ever had any scruples in finding pretexts to commit crimes against peoples?

The official voice of the United States has set the example for its worldwide propaganda system. Another web of lies has begun to be spun about Nicaragua. Let us now see how those clumsy lies are spun:

1. Why does a country with its people on a war footing need "approximately 2,000 trops" of an army thousands of kilometers away? Let us also remember that Angola is also a country confronting mercenary military activity sponsored by the United States. It is improbable that a country in such conditions would want to divert its own defense forces.

2. Placing those "soldiers" on the Atlantic coast is quite easy because of a similarity in the ethnic background of the Angolans and the Nicarguans who inhabit the Atlantic Coast. A Nicaraguan, with the same racial characteristics as an African, could very easily "lose himself" in the crowd. [sentence as published] Therefore, it would be very easy to believe that the presence of a foreigner would "go unnoticed." What is worse, they could also justify killing our countrymen on the Atlantic coast by claiming that they had killed "Angolans."

3. The so-called "anti-Sandinist commando," in other words, the mercenaries, "have not increased their attacks," but rather have increased their criminal actions against the unarmed people like those children and women who were murdered in San Jose de Bocay.

4. Regarding the "presence" of Cuban, Vietnamese, and "other nationality" troops, this is an old propaganda trick. However, the fact that this is an old trick does not make it less evil. This trick is aimed at awakening U.S. chauvinism and a desire for revenge because the peoples of Cuba and Vietnam have been the only two to defeat the military aggressions of imperialism in the past 25 years.

5. By saying that there is a "presence of foreign and mercenary forces" in Nicaragua, they seek to establish an association of ideas. They want to justify, to public opinion -- if the public opinion can believe such a lie -- the presence of their own mercenary forces.

Whichever way the VOA information is examined, an evil objective will be discovered. The Yankee propagandists promote this type of lie, and other similar ones, to attack the necessary measures adopted to counteract the work carried out by their domestic agents. They are trying to paint a picture portraying Nicaragua as repressive, destabilizing, and a threat to the Central American "democracies."

Despite the reason for inventing these lies, and the immediate results they may expect, the Nicaraguan people have their best antidote in the armed, political, and legal defense. The domestic plotters know this.

GOVERNMENT DECREES 3-DAY MOURNING FOR LE DUAN

PA112258 Managua International Service in Spanish 2221 GMT 11 Jul 86

[Communique No 24 issued by the Presidency of the Republic Information and Press Directorate on 11 July in Managua]

[Text] On the occasion of the death of Companero Le Duan, secretary general of the Vietnamese Communist Party, the Government of the Republic of Nicaragua has decreed a 3-day national mourning period, beginning today, 11 July 1986. During this period the flag remain at half mast at civilian and military institutions.

The passing away of Companero Le Duan represents a loss to the peoples of the world who are struggling for progress, independence, and revolutionary changes.

As a leader of the Vietnamese people, Companero Le Duan was always on the side of the Nicaraguan people, our government, and the FSLN, and against imperialist aggression.

Managua, 11 July 1986

The Presidency of the Republic Information and Press Directorate

ORTEGA GREETS TIRADO ON RETURN FROM POLAND

PA111556 Managua Domestic Service in Spanish 1200 GMT 11 Jul 86

[Text] Commander of the Revolution Daniel Ortega Saavedra, president of Nicaragua, welcomed Commander Victor Tirado Lopez at the Augusto Cesar Sandino International Airport yesterday when he arrived leading the delegation that attended the 10th Congress of the Polish United Workers Party. Commander Tirado Lopez is bringing greetings and solidarity from the Polish people and Government on the occasion of the seventh anniversary of the triumph of the Nicaraguan people and their Sandinist people's revolution.

COOPERATION AGREEMENT SIGNED WITH GDR

For East Berlin ADN accounts of the visit to the German Democratic Republic by a Nicaraguan delegation led by Leticia Herrera, including her talks with GDR's People's Chamber President Horst Sindermann and the cooperation agreement signed, see the German Democratic Republic section of the 14 July Eastern Europe DAILY REPORT.

ORTEGA COMMENTS ON SPECULATION IN PRODUCTS

PA122115 Managua Radio Sandino in Spanish 1940 GMT 12 Jul 86

[Text] The president of the Republic, Daniel Ortega, has reiterated the urgent need to produce to overcome the current crisis in the country and said that the peasant population will continue having priority in production matters. President Ortega today held a "Face the People" with the residents of Chinandega. We now bring you an excerpt of the president's statements:

[Begin recording] It is so easy, let us say it like that, to establish a price on a product when that product is (?scarce). We have made efforts and will continue making efforts so that [words indistinct] that will [words indistinct] all workers to a certain price, a certain price, a controlled price. However, if you....[changes thought] For example, a family group -- for example, where there are two or three members of a family working, and they buy a certain product through a (?controlled) channel at a acceptable price, then, they (?keep) that product for 2 or 3 days, they keep one for the house and take the rest to the speculation market. In other words, we are no longer talking about the speculative merchant, but rather about the workers who become speculators too. They become speculators. They say: We have this product there [passage indistinct]. Let us sell it on the market at a high price. So, there are products in the market that should not be there. Often, people friendly to Nicaragua wonder: If we sell this product to workers, why does it end up on the market and at that price? These products were distributed among the workers, and the workers speculated with those products. [end recording]

BRIEFS

NORWEGIAN DONATION RECEIVED -- The Government and people of Norway have donated 15,000 tons of fertilizer and 308 tons of industrial and office paper to Nicaragua. The donation also included several boxes of clothers and other agricultural equipment that will be used in the next coffee harvest in Nicaragua. [Summary] [Managua International Service in Spanish 2200 GMT 8 Jul 86 PA]

FOREIGN MINISTRY ISSUES NOTE ON TALKS WITH U.S.

FL111221 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Jul 86

[Foreign Ministry Note on U.S.-Cuba Talks, date not given]

[Text] On 8 and 9 July, talks were held in Mexico between representatives of the Governments of Cuba and the United States. These talks were aimed at examining the problems of radio broadcasts between the United States and Cuba which made the Cuban Government interrupt the migration agreement reached on 14 December 1984 between the two governments.

These talks were proposed by the U.S. Government on 23 June by a note delivered by the chief of the State Department's Cuba desk, Mr Kenneth Skoug, to Comrade Ramon Sanchez Parodi, chief of the Cuban Interest Section at the CSSR Embassy in Washington.

In the note, the U.S. State Department made reference to President Fidel Castro's remarks made to a member of Senator Edward Kennedy's office. The president of the Council of State, referring to Senator Kennedy's ideas on the convenience of resuming migration flow between Cuba and the United States, mentioned the need to solve those problems first. In light of this, the State Department proposed to begin talks which have taken place and which were accepted by Cuba on 3 July.

The talks were held in an atmosphere of mutual respect; the first one in the Cuban Embassy in Mexico City, and the second one in the U.S. Embassy in the Mexican capital. No agreements were reached on the examined problems.

CASTRO SENDS CONDOLENCES ON LE DUAN'S DEATH

FL111552 Havana Radio Reloj Network in Spanish 1402 GMT 11 Jul 86

[Text] With profound grief we have received the painful news of the death of Comrade Le Duan, general secretary of the Communist Party of Vietnam [CPV], beloved and respected leader of the Vietnamese people and dear friend of the Cuban people and Communist party.

These words began Commander in Chief Fidel Castro's message of condolence to the CPV Central Committee on the death of Vietnam's highest political leader.

Later, Fidel's condolence message indicates that Le Duan dedicated himself completely to the revolutionary cause of his people from early in his life to the moment of his death.

In another prt of his message of condolence to the CPV Centrl Committee, Castro recalls that in 1930 when the unforgettable President Ho Chi Minh founded the Communist Party of Indochina, he could count among his members the valuable cooperation of the deceased Comrade Le Duan. Since then, Le Duan has been one of the most active CPV leaders in the struggle for the defeat of French Colonial oppression, his heroic combat against Yankee imperialism, and the historic battle for the national reunification and reconstruction of Vietnam, Fidel's message adds.

After stressing the difficult years Le Duan spent in prison, Castro's message says the position held by Le Duan for more than 25 years is an eloquent expression of the extraordinary revolutionary merits Le Duan accumulated with exemplary modesty during his invaluable lifetime.

The CPV loses one of its most faithful and experienced militants with Le Duan's death.

The international communist movement, reknowned and combative, and our people and party have admired and loved the combative comrade [companero de lucha], says Fidel's message.

Castro's message reiterates the conviction that this bitter moment for the people and all its comrades in the struggle will be transformed into creative energy, guarantee the brilliant future of the socialist nation, and will make any aggressor who dares to tread on the land of the fatherland bite the dust.

The revolutionary cause of the Vietnamese people and of its glorious Communist Party, to which Le Duan dedicated his entire life, is invincible, says Fidel's message of condolence.

CASTRO GREETS HENG SAMRIN ON KPRP ANNIVERSARY

BK120636 Phnom Penh Domestic Service in Cambodian 0430 GMT 12 Jul 86

[Text] Recently, Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, received a message from Comrade Fidel Castro, first secretary of the Cuban Communist Party Central Committee, on the 35th founding anniversary of the KPRP. The message says in substance:

The KPRP was born from the militant solidarity of the Indochinese people against colonialism and imperialism. It has braved difficulties in these struggles as well as the usurpation of the Pol Pot clique and has won historic victories by transforming the KPRP into a solid bastion for the cause of peace, social progress, and socialism. Standing in front of Cambodian workers, the KPRP is currently leading with ingenuity the rebirth of the country, which has made the Cambodian fatherland blossom, and has daily strengthened solidarity with the fraternal parties and people of Vietnam and Laos on the path of rebuilding the country and successfully struggling aganst every brute attempt on its beloved territory. In this struggle, the KPRK has set a correct policy aimed toward achieving peace, stability, and cooperation with every country in the region.

In its negotiations, the KPRP can always rely on the unconditional support of the Cuban Communist Party. On behalf of the Cuban party and people, we wish the KPRP new successes in its just and noble activities for the Cambodian people and peace in Southeast Asia.

VIERA MEETS WITH CHINESE VICE FOREIGN MINISTER

FL121256 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 86

[Text] Acting Foreign Minister Jose Raul Viera has met in Havana with Chinese Vice Foreign Minister Zhu Qizhen who is presiding over a Chinese Foreign Ministry delegation visiting several Caribbean countries. During the meeting, they discussed several of the two countries' policies and the satisfactory course of bilateral relations.

BRAZILIAN MISSION TO OPEN DIPLOMATIC HEADQUARTERS

FL121334 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 86

[Text] The first official Brazilian mission to Cuba will depart for Havana on Monday. The mission includes three diplomats, one architect, and two administrative employees from the Brazilian Foreign Ministry. The purpose of this first Brazilian advance toward renewal of diplomatic relations, which was approved 23 June, is to open diplomatic headquarters in Havana.

MEXICAN ENVOY ASSESSES BILATERAL RELATIONS

PA111934 Mexico City EXCELSIOR in Spanish 4 Jul 86 pp 5, 31 A

[By special reporter Luis Suarez]

[Excerpts] Havana, 3 Jul -- What we like and what we dislike, as well as our agreements and differences within the framework of a mature attitude is what unites Mexico and Cuba apart from our main point of concurrence, which is the fact that these two countries experienced the two most important social revolutions of the hemisphere that responded to specific conditions in their societies. This is, in summary, the opinion of Enrique Olivares Santana, our ambassador to Cuba, in regard to the current Mexican-Cuban relations and trade -- $150 million -- exchange.

Approached about the essence of these relations in these tense times in the world, and taking into consideration the threats hovering over Central America and the Caribbean, the experienced Mexican politician, who is now holding his first diplomatic post at a critical point of the Latin American situation, responded:

[Olivares Santana] The relations between Mexico and Cuba go far beyond the formalities between the diplomatic missions of two countries. Our relatons have a profound historical context. They have developed within the framework of a cultural and geographical rapprochement. They are dynamic, responsible, and fraternal. [passage omitted]

[Suarez] Haven't these changes in the course of international events -- which is not always straight and clear -- and the conflicts in the region in which the two countries, Mexico and Cuba are located, affected this attitude of mutual respect and consideration?

[Olivares Santana] No. They have never been diminished or affected, mainly because our own historical projects have allowed us not only to practice the mutual respect and consideration you mentioned, but a true solidarity at times when the regional and international arenas we are part of are threatened. We are independent nations that love peace and freedom. We are nations worried about our people's well-being. Each reaches its own goals in its own way. All this explains why Cuba and Mexico frequently agree at regional and multilateral forums regarding the defense of the norms that make a civilized coexistence among nations possible. We also agree on vigorously condemning any form of conduct that harms or threatens these rules of coexistence.

[Suarez] Is this a permanent policy, despite changes and deterioration in the situation?

[Oliveras Santana] Mexico's foreign policy is not the result of temporary situations or passing emotions.

It is guided by a great historical tradition and a nationalistic feeling. It has always had an unquestionable loyalty for the principles of its doctrine: respect for the sovereignty of the nations and their legal equality, and respect for nonintervention, the right to self-determination, the peaceful solution of controversies, and an egalitarian cooperation for economic development among nations. Consequently, when freedom is mentioned at international forums, we defend it vehemently. When respect for the sovereignty of states is mentioned, we back it with all our energy, and when a country invades, threatens, or intervenes in the domestic affairs of another, we firmly condemn it, regardless of who is originating the aggression or the actions aimed at trampling on the sovereignty rights of another nation.

[Suarez] Has there been an agreement?

[Olivares Santana] This line of conduct has permitted the existence of agreements and disagreements between Mexico and Cuba. When we disagreed, we have done so with political maturity, international foresight, and historical awareness to concur on that which is essential and important.

[Suarez] Is the cultural aspect of Mexican-Cuban relations very important?

[Olivares Santana] It is very important, of course. We are branches of the same tree. We speak the same language. We have the same origin, which identifies us and unites us. Our geographic proximity, and our traditions and cultural identities have allowed us to maintain a permanent and clean tie in every aspect of our relationship: scientific and technical, commercial, financial, and, logically, political. Mexican-Cuban relations are important in every aspect. These bilateral relations are regulated by the General Cooperation Agreement signed by the two countries in January 1978 and revised every 2 years in the meetings of the Joint Intergovernmental Commission. Logically, a very substantial element fo the bilateral relations between Mexico and Cuba is the trade, which has been increasing and becoming remarkably more diversified in the past few years, not only as a result of our respective economic development, but as a result of the confidence that characterizes the relations between our two countries, as well. The financial limit of our bilateral trade amounts to $150 million and we are making efforts to find a healthy balance in our trade, which is currently unfavorable for Cuba. [passage omitted]

NUNEZ MEETS WITH ECUADORAN FOREIGN MINISTER

FL111554 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Jul 86

[Text] Ecuadoran Foreign Minister Edgar Teran Teran has received Culture Vice Minister for International Relations Antonio Nunez Jimenez, who is visiting that country to coordinate events commemorating the 500th anniversary of the encounter of the European and American cultures. The Cuban representative said recently he met with the chairman of the commission organizing the events and agreed to conduct the project called "From the Amazon to the Caribbean in a Canoe" which attempts to reenact the arrival of Amazon tribes to the Caribbean islands.

NATION BECOMES MEMBER OF REGIONAL ASSOCIATION

FL121656 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 86

[Text] On Monday the Republic of Cuba will formally assume the role of observer member of the Latin American Integration Association in Montevideo, Uruguay. Cuban Ambassador to Uruguay Joaquin Mas Martinez will represent Cuba in that regional operation.

SCIENTIFIC, TECHNICAL PROTOCOL SIGNED WITH POLAND

FL111654 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Jul 86

[Text] Zbigniew Gertych, vice president of the Polish Council of Ministers, has presided over the ceremony of the signing of the protocol of the ninth session of the Cuban-Polish Scientific and Technical Subcommission held in Warsaw. The document includes the comprehensive development of joint research projects on coal production and the development of electronics and computers. The protocol, which will be in effect for a year, was signed by Polish Deputy Minister of the Office for Advancement and Application of Science (Ryszard Breyer) and Vice President of the Cuban Academy of Sciences, Professor Ramon Pomes.

SECRETARIAT MEMBER HEADS DELEGATION TO PRAGUE

FL112234 Havana Radio Reloj Network in Spanish 1825 GMT 11 Jul 86

[Text] Headed by Secretariat Member Jaime Crombet, a delegation of our party has arrived in Prague, Czechoslovakia.

RODRIGUEZ MEETS WITH ALGERIAN MINISTER

FL121204 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 86

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Boubaker Belkaid, professional training and labor minister of Algeria. Boubaker is presiding over his country's delegation to the fifth session of the joint Cuban-Algerian commission meeting in Havana. During the cordial and friendly meeting, the leaders exchanged opinions on the Cuban and Algerian economies and cooperation development.

VIERA RECEIVES LEBANESE PARTY DELEGATION

FL112248 Havana Radio Periodico del Aire in Spanish 2130 11 Jul 86

[Text] Jose Viera Linares, acting minister of foreign relations, has received the delegation of the Lebanese Progressive Party which, headed by its president, Walid Jumblatt, is visiting Cuba at the invitation of our party. At the friendly meeting, Comrade Jumblatt explained the complex situation of his country, which has part of its territory occupied by Zionist troops; he also explained the plans of imperialism and reactionary forces to liquidate the Lebanese patriotic and progressive forces and end the struggle of the Palestinian people.

BALAGUER OFFICIALLY PROCLAIMED PRESIDENT

PA131732 Madrid EFE in Spanish 1658 GMT 13 Jul 86

[By Rosendo Sepulveda]

[Excerpt] Santo Domingo, 13 Jul (EFE) -- Fifty-seven days after general elections took place in the Dominican Republic, the Central Electoral Board [JCE] proclaimed Joaquin Balaguer and Carlos Morales Troncoso president and vice-president of the republic, respectively.

The JCE members, headed by their President Caonabo Fernandez Naranjo, went to Balaguer's house very late last night and delivered to him and Morales Troncoso the certificate which proclaims them winners of the recent election.

After receiving his certificate, Balaguer said that the 16 May elections were "clean and neat," although he recognized that since that day many "faults" have been committed.

Balaguer said: "I receive this certificate with humility and pride, because it is simply the testimony that the party I represent -- the Social Christian Reformist Party -- is today a majority political organization, which is contributing significantly to the Dominican democratic process." [passage omitted]

FIFTH COMMUNIST PARTY LEADER RESIGNS

FL121430 Santo Domingo Radio Antillas Network in Spanish 1000 GMT 12 Jul 86

[Text] The crisis affecting the Dominican Communist Party [PCD] has increased with the resignation of another Central Committee member. This time the resignation was submitted by Dr (Rowin Pirie). He is the fifth leader to resign within the last few days.

A Santo Domingo University professor said the resignation is a serious loss during a critical time.

The other PCD leaders who have resigned are (Julia Ampella), Carlos Flores Cabral, and Cesar Perez. [Words indistinct], who resigned his leadership responsibilities in the PCD and engineer Jose Israel Cuello.

WORKERS' PARTY TO CREATE PEOPLES' FRONT

FL121534 Santo Domingo Radio Antillas Network in Spanish 1000 GMT 12 Jul 86

[Excerpt] The Dominican Workers' Party [PTD] has established a constitution for an extensive peoples' front to channel the peoples' struggle in creating a state of independence and freedom.

Jose Gonzalez Espinosa says that all the progressive organizations in the country should unite and participate in the creation of the front. The PTD leader said there will be a meeting on 20 July to create the instrument of struggle. [passage ommitted]

LIBYAN DOCUMENT ENDORSES REVOLUTION IN REGION

FL121746 Bridgetown CANA in English 1655 GMT 12 Jul 86

[Text] Bridgetown, Barbados, July 12, CANA -- Libya views the Caribbean as a region under the control of foreign oppressors and through a four-point strategy, including military support to radical groups, says it is determined to back the cause of revolution and liberation in the region, according to a document mailed to CANA by a Tripoli-based Libyan organisation.

The Caribbean for the Peoples of the Caribbean, an eight-page paper published by the International Organisation for the Elimination of All Forms of Racial Discrimination (Eaford), says Libyan policy in the Caribbean has the following objectives: To support Caribbean liberation movements; to bar the road to colonialist exploitation of the region; to struggle against racial discrimination and governments which practise it; and to oppose neocolonialism in all its forms.

Because the Libyan people had for so long known the oppression of foreign imperialists and colonialists, after their Great September Revolution, they determined to support the cause of revolution and the liberation of man everywhere, said the paper, written by one Dr Musa Kusa, director of the Tripoli-based World Centre for Resistence to Imperialism, Zionism, Racism, Reaction and Fascism.

Thus it is only natural for the Libyan peoples Jamahiriya to support all the peoples of the Caribbean Basin in their struggle for independence and freedom from foreign oppressors.

Target countries named are the French territories of Martinique, Guadeloupe, Cayenne (French Guiana), where there have been upsurges in separatist violence, and Trinidad and Tobago.

Specifically in relation to Trinidad and Tobago, the paper quotes Libyan leader Colonel Muammar al-Qadhdhafi as saying the racial system established there as well as those in Guadeloupe, Martinique, and Cayenne by the colonisers permitted racial discrimination and must be wiped out.

The Jamahiriya stands ready to assist in wiping out these stains Al-Qadhdhafi said.

The Jamahiriya will not neglect any action necessary to permit Caribbean liberation movements to realise their objectives and to unify their action, the Libyan leader was also quoted as saying.

What is involved is not the mere question of drawing up an exhaustive balance sheet of all the material, military, and moral support the Jamahiriya has provided various liberation movements. Rather, it is an incontrovertible brotherly duty, he added.

According to the paper, Libya has also actively sought to enlist the backing of like-minded revolutionary states, namely Syria and Iran, for radical groups in the region.

We feel with strength, hope and conviction that all revolutionaries, wherever, whoever they may be are brothers in the struggle of the Libyan revolution and the Libyan Arab people. We shall deploy our considerable force to provide the effective assistance of our revolution to our brothers and to assure their victory over colonialism, Al-Qadhadhafi was quoted as saying.

With regard to the development of Caribbean economies, the radical North African country advocates strictly native control of local economic wealth and says Caribbean people must be persuaded to move in this direction.

They must not tolerate control or even interference by outsiders of what is inherently theirs, the paper advocates.

It called for laws to enforce native ownership of land and resources, and urged Caribbean peoples not to tolerate representatives and governments who oppose the idea.

...Those who expropriate and dispose of the rightful possessions of the people for their own interests must answer to the wrath of people, said the paper.

The deprivation of the people of the Caribbean by neocolonial exploitation, aided and abetted by corrupt governments, represents one of the worst existing situations of the oppressed peoples of the world. This cannot continue; it must be remedied.

The paper attacked foreign domination of the banking and financial system in the Caribbean. Through this set-up, the colonialists were able to dictate the economic and even political policies of regional countries, it said.

Convinced that colonialism seeks through its banks to control the economic life of the developing countries, Libya has created in various areas joint banks, that is banks jointly run with local entities with two objectives: 1) to neutralise the monopolistic colonial bank; 2) to place the economic activities of the country on a sound basis, assuring its national interest and its economic independence, the paper said.

There was no confirmation if there were any such Libyan-established banks operating in the Caribbean.

The paper said the Caribbean was the target of a systematic campaign that seeks to suppress regional culture and replace it with false values of America and European civilisation to aid foreign domination of the region.

According to the paper, Libya has already initiated moves to counter this cultural colonialism in the region, mainly through the opening of Islamic cultural centres in several countries.

Through their schools, training facilities for profesionals and others, and their libraries devoted to authentic works, these centres have contributed to stemming the flood of Western colonialist culture and to replacing it with culture evolving from the authentic heritage of Islam, it said.

ARUBA

FORMER ECONOMIC MINISTER ARRESTED FOR FRAUD

EL111744 Hilversum International Service in English 1030 GMT 11 Jul 86

[Text] Aruba's former Minister of Economic Affairs Leonard Berlinsky has been put in a police cell in Oranjestad. He was arrested [word indistinct] by the public prosecutor who said preliminary investigations revealed sufficient grounds for locking up the former minister. Leonard Berlinsky has been charged with fraud and accepting favors or promises to that end from a government officer.

INTER-AMERICAN AFFAIRS

SELA, ECLA, ANALYZE INTRAREGIONAL TRADE

PY132328 Paris AFP in Spanish 1313 GMT 11 Jul 86

[Text] Montevideo, 11 Jul (AFP) -- Representatives of several regional integration agencies have submitted a document to Uruguayan President Julio Sanguinette that analyzes the sale of raw materials on the world market and puts forth several ideas for solving the problems that confront Latin America.

The document was submitted by SELA Secretary Sebastian Allegret; Director of the ECLA Economic Cooperation Department Guillermo Maldonado; UNCTAD Assistant Secretary General Alister McIntyre; and Gustavo Saavedra of the UNCTAD-ECLA project.

President Sanguinetti and Peruvian President Alan Garcia requested the study during the official visit Garcia paid to Uruguay in April. According to integration agency representatives, the document focuses on three major points and seeks to attain the following objective: to learn what Latin America can do by itself to cope with its problems.

First, the document stresses that the countries of the region usually blame existing problems on others, claiming that there are many factors outside their control.

Second, the study recommends the creation of a permanent consultative organ within SELA. This organ will serve to implement the initiatives of the nations of the region, independent of any agreements with consumer countries.

Third, the study suggests promoting trade with the entire block of developing countries, rather than with specific developing countries.

The document may be used by Latin American delegates attending the September GATT meeting in Uruguay and by delegates attending a regional conference on raw materials to be held at the end of the year in Guatemala, at the initiative of Sanguinetti and Garcia.

SURINAME

MILITARY LEADERS RESIGN; BOUTERSE ISSUES WARNING

FL111910 Paramaribo International Service in English 1800 GMT 11 Jul 86

[Text] Two former commanders, Artie Gorre, and Paul Bhagwandas have resigned from the military authority for the benefit of the country and the revolutionary process. This statement was made by commander Bouterse Wednesday last when Bhagwandas handed over the command of the battallion to Jamor (Edirovelt). The ceremony took place on the parade grounds of the camp.

In a speech after the ceremony, Commander Bouterse warned opponents of the revolution not to attempt any false move because of the resignations.

Two weeks ago, the military authority issued a statement which said that Bhagwandas and Gorre requested to be released on their many and responsible duties related to the membership of the military authorities.